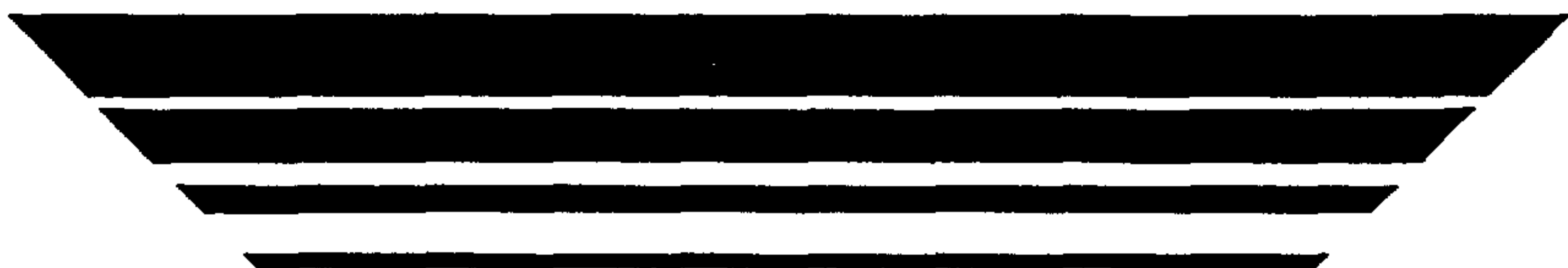


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# COMPREHENSIVE ANNUAL FINANCIAL REPORT



## City of Slidell

For Fiscal Year Ended  
June 30, 2002



Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/8/03

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT



Prepared by the Department of Finance

## City of Slidell

Salvatore A. Caruso, Mayor  
For Fiscal Year Ended  
June 30, 2002

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# *The City of Slidell*

## FINANCE DEPARTMENT

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**BEN O. MORRIS**

*Mayor*

**SHARON HOWES, CPA**

*Director of Finance*

TO: THE MEMBERS OF THE CITY COUNCIL  
CITY OF SLIDELL, LOUISIANA

DATE: October 22, 2002

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Slidell, Louisiana for the fiscal year ended June 30, 2002.

The CAFR has been prepared in conformance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). The City's basis of accounting in its various funds is explained in the notes to the accompanying general purpose financial statements.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds and account groups; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included.

The accompanying financial statements have been audited by the City's certified public accountants and their opinion resulting from their audit is included in the Comprehensive Annual Financial Report.

Comprehensive Annual Financial Report is divided into four sections:

**The Introductory Section** includes this letter of transmittal, an organizational chart, a list of principal elected officials and a reproduction of the prior year's Certificate of Achievement for Excellence in Financial Reporting.

**The Financial Section** includes the General Purpose Financial Statements presenting the combined statements as an overview of the City's entire financial operations with accompanying notes. Next, within this section, combined and individual fund financial statements present each of the supporting separate funds and individual account groups of the City. Schedules provide certain other information and details of data summarized in the financial statements. The statements and schedules included in this section pertain to those operations which, when taken together, make up the reporting entity of the City.

**The Statistical Section** includes tables and schedules containing historical financial data, debt statistics, and miscellaneous economic data of the City that are of interest to potential investors in our bonds and to other readers.

**The Single Audit Section** contains the auditors' reports in conformity with the provisions of the Single Audit Act of 1984, the Single Audit Act Amendments of 1996 and U.S. Office of Management & Budget Circular A-133, "Audits of State and Local Governments" regarding federal and state grants along with related schedules of expenditures and notes.

## **REPORTING ENTITY**

Slidell, the largest municipality in St. Tammany Parish, was founded in 1888. The City's system of government is established by its Home Rule Charter which was adopted in 1978. The Louisiana Constitution prohibits the state legislature from enacting any law affecting the structure, organization, or distribution of the power and functions of any local subdivision which operates under a Home Rule Charter. The City has a Mayor-Council form of government.

The general purpose financial statements of the City include all government activities, organizations and functions. These services include police protection; sanitation services; the construction and maintenance of highways, streets, airport facilities and infrastructure; recreational activities and cultural events. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. No component units are included in the reporting entity. A more detailed discussion of reporting entity is included in Note A1 to the general-purpose financial statements.

## **ECONOMIC CONDITION AND OUTLOOK**

Slidell and the surrounding area is quite heavily dependent upon employment by several of the U.S. Government Contractors and oil companies in East Mississippi and New Orleans. The Slidell area has long been referred to as a "bedroom" community which serves these areas. As a result, the economy can fluctuate widely due to changes in these industries. A major parish-wide movement is underway to identify and attract various industries to the surrounding area in an effort to diversify and stabilize the basis of the local economy.

Overall sales tax revenue increased 3.59% from fiscal 2001 to fiscal 2002. In fiscal 2001, the city received \$666,000 in taxes paid under protest in previous fiscal years. In fiscal 2002, the City refunded \$68,000 in sales tax paid in error. After backing out the effect of these two non-recurring events, sales



tax revenue for the year increased 8.79%. This increase is primarily attributed to the auto sector as a result of zero percent financing promotions.

Due to a growing trend for New Orleanians to move north of Lake Pontchartrain, the Parish experienced continued growth in population during the 2002 year. The 2000 Census data revealed that St. Tammany Parish grew at the fastest rate in the State - a 32% increase from 1990.

Most of the major commercial developments which serve the Slidell area, as well as the two major hospitals in the eastern part of St. Tammany Parish, are within the corporate limits of Slidell. Slidell should continue to see growth in commercial developments keep pace with residential growth demands.

## **MAJOR INITIATIVES**

### **During the Year**

Officially named the new park behind the Slidell Train Depot as "Heritage Park". The City also celebrated the park's grand opening and approved the purchase of additional land adjacent to Heritage Park for future expansion.

Celebrated the opening of the Slidell Community Playground which adjoins Heritage Park.

Put the finishing touches on the gymnasium/multi-purpose facility at Fritchie Park and purchased an additional 20 acres adjacent to the park to further enhance its recreational offerings.

Continued the revitalization of Olde Towne with additional sidewalks, landscaping, and lighting.

Continued renovations to the Slidell Train Depot and acquired another tenant.

Persisted in its efforts to seek state and federal funding to enhance and improve the Slidell Airport.

Continued funding city-wide programs for concrete street panel replacement, drainage line sinkhole repair, and cleaning/shaping of all major drainage canals.

### **For the Future**

During 2001, the State of Louisiana Department of Environmental Quality (DEQ) issued the City a Consolidated Compliance Order for violations of waste water operations and maintenance deficiencies. The City has responded to the Order with a plan of action to correct the violations. Water and sewer fees were raised 10% and 25% for the 2002 and 2003 fiscal years to address some of these problem areas. A \$3,220,000 rehabilitation of the wastewater treatment plant financed by a low interest DEQ loan is planned in fiscal 2003.

During 2002, an outside professional engineering firm conducted a survey of the condition of all City streets. The estimated cost of repairs is \$48 million. The administration intends to develop a plan to address this need during fiscal 2003.

Managing growth continues to be one of our major management objectives. The City receives requests for annexation into the City on a weekly basis. Both commercial and residential building are booming in Slidell. This has stretched the capacity of many different departments, from the Utilities Division of Public Operations to Permits and Inspections. We are seeking ways to keep pace with the growing demand for City workers.

## **FINANCIAL INFORMATION**

### **Accounting System and Budgetary Control**

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

### **Budgetary Procedures**

The City maintains budgetary control at the departmental level by cost classification and allocates appropriations on a monthly basis. These cost classifications are categorized in several groups: salaries and benefits of officials and employees; contractual services; supplies; equipment; debt requirements; capital outlay and others (e.g., community service, claims and legal fees, etc.).

Encumbrances are recorded by the Purchasing Department as requisitions are received from various departments. If sufficient funds are not available to cover the purchase, the requisition is returned to the originating department for appropriation allotment changes, transfer of funds or cancellation. Appropriations are allowed to be amended through councilmanic action during the year, and all unencumbered appropriations lapse at year end. The City's Charter, as well as state law, does not allow deficit spending.

The City monitors revenues and expenditures closely during the year in order to adhere to the annual operating budget approved by the City Council. Per Charter requirements, the Mayor may, if he decides it necessary, open the adopted budget for amendments by councilmanic action during the fiscal year. The Mayor retains the right to approve line-item budgetary adjustments of unencumbered funds within an operating department, office or agency during the course of the fiscal year. Unencumbered balances in the General Fund and Sales Tax Fund on hand at the close of the fiscal year are usually appropriated, in whole or in part, as capital outlay for projects in the succeeding year or designated for general contingencies.

The Mayor recommends to the City Council a capital improvement program for the next five years and a capital budget by project for the first year of the program. The City Council is obligated to approve a capital budget program and adopts the capital budget concurrently with the annual operating budget. The amounts budgeted constitute appropriations from the funds indicated when they become available. Unexpended capital appropriations carry over for a total of three years or until re-appropriated.

### **General Governmental Functions**

The City provides a wide range of general services including public safety, highways and streets, recreational activities, animal control, planning and zoning and general administrative services which are accounted for in the General, Special Revenue and Debt Service Funds.

## Revenues

Revenues to support the general government functions of the City are reflected in the General, Special Revenue and Debt Service Funds. General revenues from these funds approximated \$25,432,000 (see Table 2) for the 2002 fiscal year, an increase of approximately \$542,000 from 2001. This increase is primarily attributable to an increase in sales tax revenues from auto sector sales and an increase in intergovernmental revenues from grants offset by a decrease in interest income due to lower interest rates.

The following table illustrates the revenues by source for 2002 and the increase (decrease) over prior year by general functions:

<b>General and Special Revenue Funds (budgetary basis) and Debt Service Fund</b>				
	Amount	% of	Increase (Decrease)	Percent of Increase
	<u>2002</u>	<u>Total</u>	<u>From 2001</u>	<u>(Decrease)</u>
	<small>(In thousands of dollars)</small>			
Sales Tax	\$15,774	62%	\$ 547	4%
Property Tax	3,198	13%	34	1%
Licenses/Permit	1,647	6%	-28	-2%
Franchise Tax	1,280	5%	-149	-10%
Intergovernmental	2,353	9%	827	58%
Interest/Other	515	2%	-648	-42%
Payment in Lieu of Tax	470	2%	0	0%
Fines/Forfeitures	195	1%	-41	-9%
	<u>\$25,432</u>	<u>100%</u>	<u>\$ 542</u>	<u>2%</u>

## Expenditures by Function

General Government related expenditures were approximately \$25,379,000 (see Table 1) in 2002 compared to \$25,662,000 in fiscal 2001. The following table presents the various general City expenditures grouped according to function.

<b>General and Special Revenue Funds (budgetary basis) and Debt Service Fund</b>				
	Amount	% of	Increase (Decrease)	Percent of Increase
	<u>2002</u>	<u>Total</u>	<u>From 2001</u>	<u>(Decrease)</u>
	<small>(In thousands of dollars)</small>			
Public Safety	\$5,312	21%	\$ 229	5%
Public Works	3,792	15%	304	9%
General Government	4,959	20%	69	1%
Debt Service	4,217	17%	40	1%
Capital Outlay	5,997	24%	-674	-10%
Parks and Recreation	869	3%	-251	-22%
Judicial System	233	1%	0	0%
	<u>\$25,379</u>	<u>100%</u>	<u>\$-283</u>	<u>-1%</u>

Increase in expenditures is primarily due to an increase in expenditures for public safety offset by a decrease in capital outlay. The increase in public safety is primarily due to scheduled step increases and cost of living adjustments for police personnel. Capital appropriations are valid for three years. Variances in capital outlay expenditures from year to year are a function of the amount of time planning and engineering consume before projects begin the construction phase, which is the bulk of a project's cost. The increase in public works and the decrease in recreation are primarily attributable to the transfer of 13 employees of the Recreation Department who are responsible for maintaining drainage easements to the Public Works Division in order to facilitate better co-ordination with ditch cleaning crews in the Public Works Division.

### Expenditures Comparison by Activity

The following data represent a comparison of fiscal 2001 and 2002 expenditures by activity:

General and Special Revenue Funds (budgetary basis) And Debt Service Fund				
	Amount	% of	Increase	Percent of
	2002	Total	(Decrease)	Increase
	(In thousands of dollars)			
			From 2001	(Decrease)
Salaries and Benefits	\$11,710	46%	\$ 437	4%
Debt Service	4,217	17%	40	1%
Capital Outlay	5,997	24%	-674	-10%
Supplies & Materials	1,334	5%	5	0%
Contractual Services	1,758	7%	-29	-2%
Claims	128	1%	-70	-35%
9-1-1 Service	102	0%	-11	-10%
Community Services	51	0%	-7	-12%
Equipment	82	0%	26	46%
	-----	----	----	
	\$25,379	100%	\$ -283	-1%

Increase in expenditures is primarily due to an increase in salaries and benefits offset by a decrease in capital outlay. The increase in capital outlay expenditures is discussed in the preceding section. The increase in salaries and benefits is primarily due to scheduled step increases and cost of living adjustments.

### Fund Balances

Unreserved, undesignated fund balance reported in the General Fund and Sales Tax Fund as of June 30, 2002 is \$401,000 and \$1,268,000 respectively, for a combined total of \$1,669,000. This is the fifteenth consecutive year in which positive undesignated fund balances are recorded in these governmental funds.

### Debt Administration

The ratio of general bonded debt to assessed value of taxable property and the amount of general bonded debt per capita are useful indicators of the City's debt position to municipal management, citizens and investors. This data for the City at the end of the 2002 fiscal year was as follows: (See Table 6)

## General Bonded Debt Ratio

Net General Bonded Debt (in thousands of dollars)	Ratio of Net Bonded Debt to Assessed Value of Taxable Property	Bonded Debt Per Capita
\$10,131	7.75	\$388

Additional data regarding the debt position of the City are presented in the statistical section of this report. Total debt service and sales tax funds available for retirement of general obligation and sales tax debt are \$1,144,000 and \$2,891,000 respectively.

### Capital Project Funds

The proceeds of general obligation bond issues, sales tax bond issues and certificates of indebtedness are accounted for in the Capital Projects Funds until improvement projects are completed. Completed projects are transferred to the General Fixed Assets Account Group or the Enterprise Funds, as applicable.

Capital expenditures of \$4,141,000 were made on utility system improvements and infrastructure (general fixed assets) during the 2002 fiscal year.

### Proprietary Fund Operations

The City accounts for the operation of its water and sewer system, as well as solid waste disposal in the Utility Fund. The City Airport is also included as a proprietary fund. The Airport and Utility Funds received federal and state assistance totaling \$191,000 in 2002.

Segment information as of and for the years ended June 30, 2001 and 2002, respectively, is presented below:

	2001			2002		
	Utility (in thousands of dollars)	Airport	Total	Utility (in thousands of dollars)	Airport	Total
Operating Revenues	\$6,959	\$34	\$6,993	\$7,555	\$39	7,594
Depreciation Expense	1,474	195	1,669	1,561	128	1,689
Operating Income (Loss)	-91	-314	-405	-244	-222	-466
Capital Contributions	826	697	1,523	896	85	980
Property, Plant and Equipment Additions	3,032	707	3,739	3,703	96	3,799
Net Working Capital	2,166	88	2,254	1,946	82	2,028
Total Assets	39,919	2,805	42,724	41,645	2,656	44,301
Long Term Debt payable from Operating Revenues	5,803	-0-	5,803	5,495	0	5,495
Total Equity	33,092	2,603	35,695	35,088	2,563	37,651

### Cash Management

The Finance Department strives to keep abreast of current trends and procedures for cash management and forecasting so as to ensure the most efficient and profitable use of the City's



cash resources. While efforts are made to maximize the return on the City's investment dollar, our primary goal is to ensure the return of principal.

Cash temporarily idle during the year was invested in demand deposits, time deposits and U.S. government or government agency securities. Interest earned on cash designated for specific purposes is allocated directly to that purpose. Interest income earned on investments by the City for all funds during fiscal 2002 totaled \$350,000 compared to \$1,129,000 earned during the previous year. The decrease in investment income is primarily related to lower interest rates in fiscal 2002.

#### **Risk Management**

The City is currently enrolled in partial self-insurance programs for liability, dental and workers' compensation claims. Third party coverage is maintained on all insurances which becomes effective after specific and/or aggregate retentions are met. Resources are being accumulated in the General Fund to meet potential losses.

In fiscal 2002, funds reserved for insurance totaled \$275,000. This relates directly to investments required by Louisiana Statutes for entities with self-funded workers' compensation plans. Liabilities of approximately \$1,160,000 are recorded for claims and judgments.

## **OTHER INFORMATION**

#### **Independent Audit**

The City Charter requires the Council to provide for an annual independent audit of the accounting and financial transactions of the City. The Council designated the firm of Rebowe & Company APC as the independent auditors, and their report is included in this Comprehensive Annual Financial Report. For 2002, the City again used the single audit approach, and the CAFR complies with the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996. For purposes of federal financial assistance programs, the City's oversight audit agency is the Department of Housing and Urban Development.

#### **Awards**

The Government Finance Officers Association awarded a Certificate of Achievement, for Excellence in Financial Reporting to the City of Slidell for its comprehensive annual financial report for the fiscal year ending June 30, 2001. This is the seventeenth consecutive year the City has received this prestigious award.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement program requirements.

### **Acknowledgments**

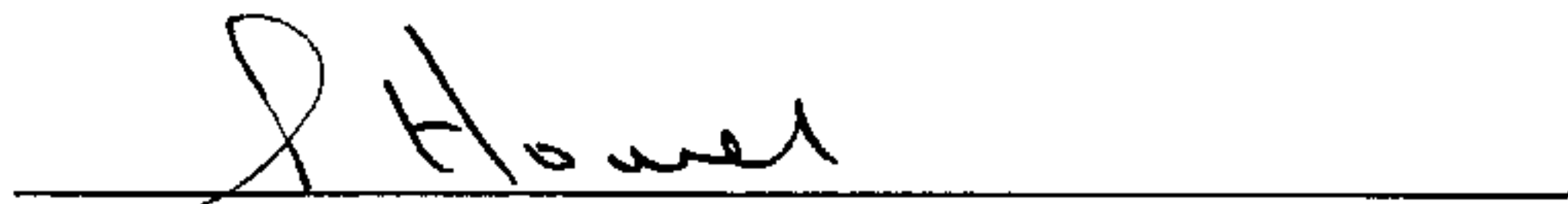
The preparation of this report could not have been accomplished without the patience and dedication of the entire staff of the Finance Department and the staffs of the other departments, boards and agencies of the City.

We would like to express our appreciation to all members of these departments, boards and agencies who assisted and contributed to its preparation. We would also like to thank the members of the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

A large, stylized handwritten signature in black ink, appearing to be 'B. Morris', written over a horizontal line.

Ben O. Morris  
Mayor

A handwritten signature in black ink, appearing to be 'S. Howes', written over a horizontal line.

Sharon Howes, CPA  
Director of Finance

BOM/SH/fm

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Slidell,  
Louisiana

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Thomas A. Duane*  
President

*Jeffrey L. Esser*  
Executive Director



**CITY OF SLIDELL  
PRINCIPAL SELECTED OFFICIALS  
JUNE 30, 2002**

CITY ADMINISTRATION

Salvatore A. "Sam" Caruso - Manager

Ben O. Morris - Chief of Police

COUNCIL MEMBERS

Alvin D. Singletary - Councilman-at-Large

Dudley Smith - Councilman-at-Large, Vice-President

Lionel J. Washington - District A, President

Jerry Binder - District B

Landon Cusimano - District C

Kevin Kingston - District D

Marti J. Livaudais - District E

Jack Cerny - District F

Pearl Williams - District G

NEWLY ELECTED OFFICIALS

Ben O. Morris - Mayor

Fredrick Drennan - Chief of Police

Pearl Williams - Councilwoman-at-Large, President

Marti Livaudais - Councilwoman-at-Large

Elsie Burkhalter - District A

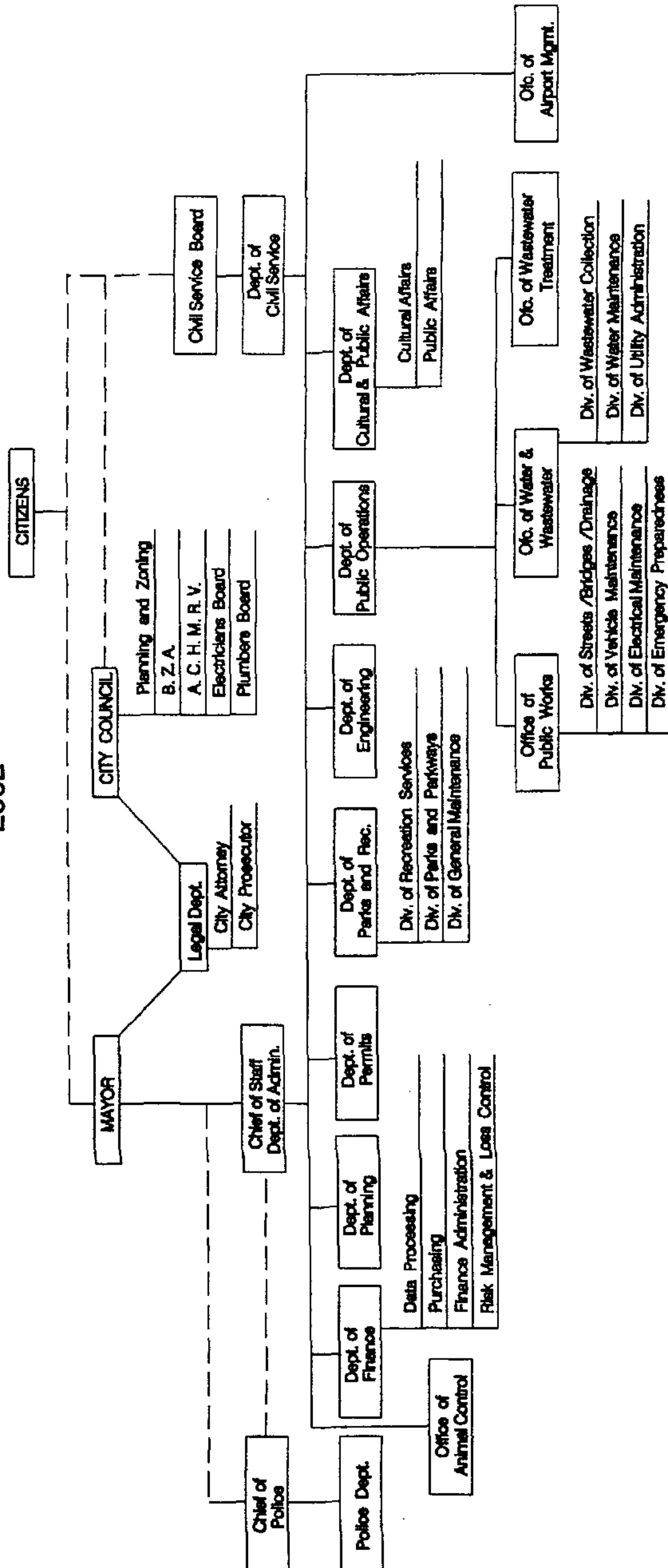
Raymond H. Canada - District E

Kim Harbison - District F

Greg Cromer - District G

# ORGANIZATIONAL PLAN for the GOVERNMENT of the CITY of SLIDELL

2002



# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS

A PROFESSIONAL CORPORATION

3501 N. Causeway Blvd. • Suite 810 • P.O. Box 6952 • Metairie, LA 70009  
Phone (504) 837-9116 • Fax (504) 837-0123 • E-mail rebowe@rebowe.com

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council  
**City of Slidell, Louisiana**

We have audited the accompanying general-purpose financial statements and the combining and individual fund and account group financial statements of the **City of Slidell, Louisiana**, as of and for the years ended June 30, 2002 and 2001, as listed in the table of contents. These financial statements are the responsibility of the **City of Slidell's** management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements and the combining and individual fund and account group financial statements referred to above presents fairly, in all material respects, the financial position of the City of Slidell as of June 30, 2002 and 2001 and the results of its operations and the cash flows of its proprietary fund type for the years then ended in conformity with generally accepted accounting principles.

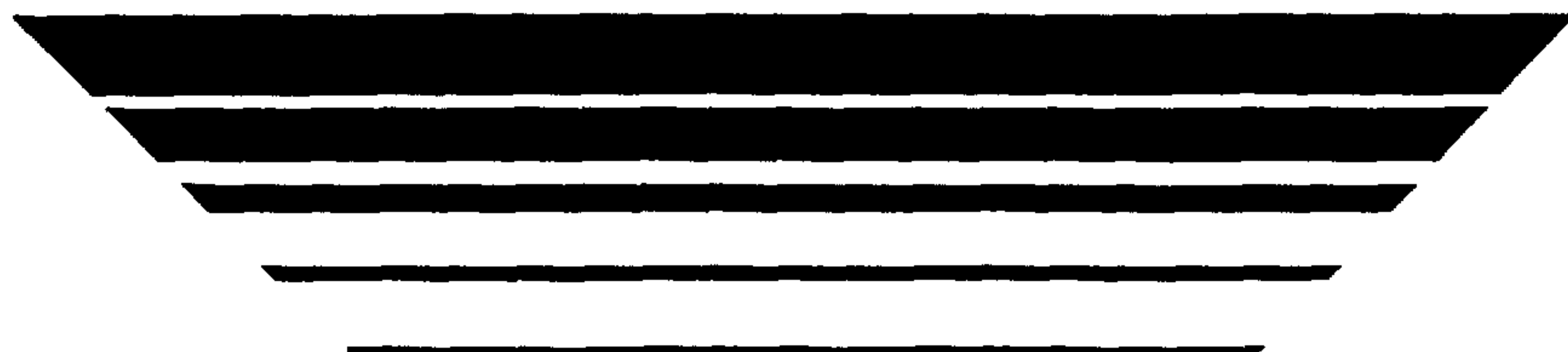
In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2002 on our consideration of the **City of Slidell's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audits were performed for the purpose of forming an opinion on the general-purpose financial statements of the **City of Slidell, Louisiana**, taken as a whole, and on the combining and individual fund account group financial statements. The accompanying financial information listed as supporting schedules and statistical data in the table of contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of the City of Slidell, Louisiana. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements. Such information, except for that portion marked "unaudited", on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general-purpose, combining and individual fund and account group financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose, combining and individual fund and account group financial statements taken as a whole.

*Reboue & Company*

October 1, 2002

# General Purpose Financial Statements



**CITY OF SLIDELL, LOUISIANA**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**June 30, 2002**

	Governmental Fund Types			
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds
<b>Assets and Other Debits</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 5,402,065	\$ -	\$ -	\$ 157,065
Investments	1,347,172	1,135,741	1,126,543	-
Receivables:				
Taxes	398,968	1,377,548	-	-
Water, sewerage and garbage	-	-	-	-
Unbilled receivable	-	-	-	-
Accrued interest	1,765	-	-	-
Other receivables	22,862	2,566	-	-
Due from other governments				
U.S. Government	-	227,926	-	-
State of Louisiana	24,514	12,304	-	41,031
Local entities	20,312	24,388	-	-
Due from other funds	485,019	3,048,711	17,770	53,507
Inventory	80,512	26,142	-	-
Prepaid items	477,445	-	-	-
Other assets	-	-	-	-
Restricted assets				
Cash	857,628	649,742	-	-
Investments	275,000	2,241,392	-	-
Land, buildings, and equipment (net, where applicable, of accumulated depreciation)	-	-	-	-
<b>Other debits</b>				
Amount available in debt service funds	-	-	-	-
Amount to be provided for retirement of general long-term obligations	-	-	-	-
<b>Total Assets and Other Debits</b>	<u>\$ 9,393,262</u>	<u>\$ 8,746,460</u>	<u>\$ 1,144,313</u>	<u>\$ 251,603</u>

(Continued)

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Total (Memorandum Only)	
		General Fixed Assets	General Long-term Obligations	2002	2001
Enterprise Funds	Expendable Trust				
\$ 202,683	\$ 1,326	\$ -	\$ -	\$ 5,763,139	\$ 3,480,132
-	-	-	-	3,609,456	7,512,716
-	-	-	-	1,776,516	1,899,234
701,670	-	-	-	701,670	639,167
271,079	-	-	-	271,079	207,211
-	-	-	-	1,765	148,230
5,675	-	-	-	31,103	272,489
79,493	-	-	-	307,419	358,440
87,804	-	-	-	165,653	351,117
-	-	-	-	44,700	28,571
1,916,286	58,102	-	-	5,579,395	5,681,599
237,047	-	-	-	343,701	359,327
1,956	-	-	-	479,401	371,771
108,711	-	-	-	108,711	116,229
131,865	53,840	-	-	1,693,075	1,451,332
901,693	-	-	-	3,418,085	3,655,731
39,655,170	-	90,509,822	-	130,164,992	119,137,801
-	-	-	4,035,447	4,035,447	4,020,691
-	-	-	28,982,488	28,982,488	28,590,220
<u>\$ 44,301,132</u>	<u>\$ 113,268</u>	<u>\$ 90,509,822</u>	<u>\$ 33,017,935</u>	<u>\$ 187,477,795</u>	<u>\$ 178,282,008</u>

**CITY OF SLIDELL, LOUISIANA**  
**COMBINED BALANCE SHEET (CONTINUED)**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**June 30, 2002**

	Governmental Fund Types			
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds
<b>Liabilities, Equity, and Other Credits</b>				
<b>Liabilities</b>				
Accounts payable	\$ 1,550,137	\$ 1,394,920	\$ -	\$ 247,786
Revenue bonds payable, current	-	-	-	-
DEQ revolving loan, current	-	-	-	-
Equipment lease, current	-	-	-	-
Due to other funds	5,094,376	111,414	-	313,241
Deferred revenue	-	-	-	-
Payable from restricted assets:				
Customer deposits	-	-	-	-
Bonds and other long term debt payable	-	-	-	-
DEQ revolving loan	-	-	-	-
Equipment lease	-	-	-	-
Claims and judgments	1,152,022	-	-	-
Long term accrued compensatory absences	-	-	-	-
<b>Total liabilities</b>	<b>7,796,535</b>	<b>1,506,334</b>	<b>-</b>	<b>561,027</b>
<b>Fund equity and other credits</b>				
Contributed capital	-	-	-	-
Investment in general fixed assets	-	-	-	-
Retained earnings:				
Unreserved, as restated	-	-	-	-
Fund balance(deficit):				
Reserved for				
Prepaid items	477,445	-	-	-
Inventory	80,512	26,142	-	-
Insurance	275,000	-	-	-
Capital outlay	-	12,122	-	-
Spay neuter	-	-	-	-
Debt service	-	-	1,144,313	-
Bond reserve fund	-	2,241,392	-	-
Bond sinking fund	-	649,742	-	-
Trust purposes	-	-	-	-
Unreserved, designated				
Capital outlay	-	1,650,163	-	171,090
Operating reserves	-	150,000	-	-
Contingencies	363,000	1,171,000	-	-
Training academy	-	71,376	-	-
Unreserved, undesignated (see Note P)	400,770	1,268,189	-	(480,514)
<b>Total fund equity and other credits</b>	<b>1,596,727</b>	<b>7,240,126</b>	<b>1,144,313</b>	<b>(309,424)</b>
<b>Total Liabilities, Equity, and Other Credits</b>	<b>\$ 9,393,262</b>	<b>\$ 8,746,460</b>	<b>\$ 1,144,313</b>	<b>\$ 251,603</b>

The accompanying notes are an integral part of this statement.



Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Total	
		General Fixed Assets	General Long-term Obligations	(Memorandum Only)	
				2002	2001
Enterprise Funds	Expendable Trust				
\$ 731,866	\$ 1,507	\$ -	\$ -	\$ 3,926,216	\$ 4,012,912
105,000	-	-	-	105,000	100,000
165,000	-	-	-	165,000	160,000
50,253	-	-	-	50,253	47,661
60,364	-	-	-	5,579,395	5,681,599
-	-	-	-	-	-
363,010	-	-	-	363,010	351,151
1,940,000	-	-	32,189,935	34,129,935	34,180,911
3,140,000	-	-	-	3,140,000	3,305,000
94,926	-	-	-	94,926	145,180
-	-	-	8,000	1,160,022	1,345,983
-	-	-	820,000	820,000	280,000
6,650,419	1,507	-	33,017,935	49,533,757	49,610,397
34,008,175	-	-	-	34,008,175	33,309,996
-	-	90,509,822	-	90,509,822	81,579,280
3,642,538	-	-	-	3,642,538	2,385,252
-	-	-	-	477,445	368,836
-	-	-	-	106,654	105,643
-	-	-	-	275,000	275,000
-	-	-	-	12,122	52,983
-	3,466	-	-	3,466	3,466
-	-	-	-	1,144,313	1,140,580
-	-	-	-	2,241,392	2,254,577
-	-	-	-	649,742	625,534
-	108,295	-	-	108,295	108,852
-	-	-	-	1,821,253	3,094,222
-	-	-	-	150,000	150,000
-	-	-	-	1,534,000	1,460,000
-	-	-	-	71,376	23,450
-	-	-	-	1,188,445	1,733,940
37,650,713	111,761	90,509,822	-	137,944,038	128,671,611
\$ 44,301,132	\$ 113,268	\$ 90,509,822	\$ 33,017,935	\$ 187,477,795	\$ 178,282,008

**CITY OF SLIDELL, LOUISIANA**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS**  
**Year Ended June 30, 2002**

	Governmental Fund Types		
	General Fund	Special Revenue Funds	Debt Service Funds
<b>Revenues</b>			
Taxes and assessments:			
Sales and use taxes	\$ -	\$ 15,773,809	\$ -
Ad valorem	1,519,601	319,233	1,358,687
Franchise	1,280,329	-	-
Licenses and permits	1,647,186	-	-
Intergovernmental revenues:			
HUD grants	-	399,396	-
State revenue sharing	66,218	-	-
Other Federal/State grants	55,347	1,523,793	-
Other state and local governmental revenues	100,800	207,932	-
State supplemental pay	273,045	-	-
Payment in lieu of taxes	470,000	-	-
Fines and forfeitures	194,445	-	-
Contributions	-	-	-
Other revenue, primarily interest and tuition	280,352	210,528	25,042
<b>Total Revenues</b>	<b>5,887,323</b>	<b>18,434,691</b>	<b>1,383,729</b>
<b>Expenditures</b>			
General government	3,140,378	1,819,079	-
Public works	577,873	3,214,189	-
Public safety	5,584,798	-	-
Parks and recreation	-	868,837	-
Judicial system	233,380	-	-
Capital outlay	-	5,927,906	-
Debt service:			
Fiscal agency fees	-	-	19,290
Principal retirement	-	61,476	2,534,500
Interest	-	8,440	1,663,087
<b>Total Expenditures</b>	<b>\$ 9,536,429</b>	<b>\$ 11,899,927</b>	<b>\$ 4,216,877</b>

(Continued)

Capital Projects Funds	Fiduciary Fund Type  Expendable Trust	Total (Memorandum Only)	
		Reporting Entity	
		2002	2001
\$ -	\$ -	\$ 15,773,809	\$ 15,227,530
-	-	3,197,521	3,163,879
-	-	1,280,329	1,429,457
-	-	1,647,186	1,674,742
-	-	399,396	37,708
-	-	66,218	67,650
646,212	3,000	2,228,352	1,600,000
-	-	308,732	111,948
-	-	273,045	260,346
-	-	470,000	470,000
-	-	194,445	235,957
-	79,863	79,863	80,004
9,922	-	525,844	1,251,761
656,134	82,863	26,444,740	25,610,982
-	-	4,959,457	4,889,903
-	83,420	3,875,482	3,551,184
-	-	5,584,798	5,343,121
-	-	868,837	1,119,537
-	-	233,380	233,428
4,141,229	-	10,069,135	9,697,475
-	-	19,290	21,282
-	-	2,595,976	2,454,145
-	-	1,671,527	1,771,028
\$ 4,141,229	\$ 83,420	\$ 29,877,882	\$ 29,081,103

**CITY OF SLIDELL, LOUISIANA**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (CONTINUED)**  
**ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS**  
**Year Ended June 30, 2002**

	Governmental Fund Types		
	General Fund	Special Revenue Funds	Debt Service Funds
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>\$ (3,649,106)</u>	<u>\$ 6,534,764</u>	<u>\$ (2,833,148)</u>
<b>Other Financing Sources (Uses)</b>			
Operating transfers in	3,368,651	199,539	2,836,881
Operating transfers out	(27,900)	(6,982,075)	-
Proceeds from the sale of fixed assets	17,917	-	-
Loan proceeds	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>3,358,668</u>	<u>(6,782,536)</u>	<u>2,836,881</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(290,438)</u>	<u>(247,772)</u>	<u>3,733</u>
<b>Fund Balances, Beginning of Year</b>	<u>1,887,165</u>	<u>7,487,898</u>	<u>1,140,580</u>
<b>Fund Balances (deficit), End of Year</b>	<u><u>\$ 1,596,727</u></u>	<u><u>\$ 7,240,126</u></u>	<u><u>\$ 1,144,313</u></u>

The accompanying notes are an integral part of this statement.

Capital Projects Funds	Fiduciary Fund Type  Expendable Trust	Total (Memorandum Only)	
		Reporting Entity	
		2002	2001
<u>\$ (3,485,095)</u>	<u>\$ (557)</u>	<u>\$ (3,433,142)</u>	<u>\$ (3,470,121)</u>
-	-	6,405,071	5,594,440
-	-	(7,009,975)	(5,747,270)
-	-	17,917	-
<u>2,650,000</u>	<u>-</u>	<u>2,650,000</u>	<u>1,643,451</u>
<u>2,650,000</u>	<u>-</u>	<u>2,063,013</u>	<u>1,490,621</u>
(835,095)	(557)	(1,370,129)	(1,979,500)
<u>525,671</u>	<u>112,318</u>	<u>11,153,632</u>	<u>13,376,583</u>
<u><u>\$ (309,424)</u></u>	<u><u>\$ 111,761</u></u>	<u><u>\$ 9,783,503</u></u>	<u><u>\$ 11,397,083</u></u>

**CITY OF SLIDELL, LOUISIANA**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**ACTUAL (ADJUSTED TO BUDGETARY BASIS) AND BUDGET**  
**GENERAL AND SPECIAL REVENUE FUND TYPES**  
**Year Ended June 30, 2002**

	General Fund		
	Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Taxes:			
Sales and use	\$ -	\$ -	\$ -
Ad valorem	1,519,601	1,522,000	(2,399)
Franchise	1,280,329	1,220,000	60,329
Licenses and permits	1,647,186	1,541,000	106,186
Intergovernmental revenues:			
State revenue sharing	66,218	60,000	6,218
Other Federal/State grants	55,347	13,000	42,347
Other state and local governmental revenues	100,800	100,800	-
Payment in lieu of taxes	470,000	470,000	-
Fines and forfeitures	194,445	200,000	(5,555)
Other revenue, primarily interest	280,352	325,000	(44,648)
<b>Total Revenues</b>	<b>5,614,278</b>	<b>5,451,800</b>	<b>162,478</b>
<b>Expenditures</b>			
Current:			
General government	3,140,378	3,272,771	132,393
Public works	577,873	584,464	6,591
Public safety	5,311,753	5,494,635	182,882
Parks and recreation	-	-	-
Judicial system	233,380	263,509	30,129
Capital outlay	-	-	-
<b>Total Expenditures</b>	<b>\$ 9,263,384</b>	<b>\$ 9,615,379</b>	<b>\$ 351,995</b>

(Continued)

Special Revenue Funds			Total (Memorandum Only)		
Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)	Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)
\$ 15,773,809	\$ 14,600,000	\$ 1,173,809	\$ 15,773,809	\$ 14,600,000	\$ 1,173,809
319,233	320,000	(767)	1,838,834	1,842,000	(3,166)
-	-	-	1,280,329	1,220,000	60,329
-	-	-	1,647,186	1,541,000	106,186
1,523,793	3,381,493	(1,857,700)	1,590,011	3,441,493	(1,851,482)
399,396	476,290	(76,894)	454,743	489,290	(34,547)
207,932	-	207,932	308,732	100,800	207,932
-	-	-	470,000	470,000	-
-	-	-	194,445	200,000	(5,555)
210,528	285,500	(74,972)	490,880	610,500	(119,620)
<u>18,434,691</u>	<u>19,063,283</u>	<u>(628,592)</u>	<u>24,048,969</u>	<u>24,515,083</u>	<u>(466,114)</u>
1,819,079	1,905,500	86,421	4,959,457	5,178,271	218,814
3,214,189	3,338,593	124,404	3,792,062	3,923,057	130,995
-	-	-	5,311,753	5,494,635	182,882
868,837	889,183	20,346	868,837	889,183	20,346
-	-	-	233,380	263,509	30,129
5,997,822	9,415,773	3,417,951	5,997,822	9,415,773	3,417,951
<u>\$ 11,899,927</u>	<u>\$ 15,549,049</u>	<u>\$ 3,649,122</u>	<u>\$ 21,163,311</u>	<u>\$ 25,164,428</u>	<u>\$ 4,001,117</u>

**CITY OF SLIDELL, LOUISIANA**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (CONTINUED)**  
**ACTUAL (ADJUSTED TO BUDGETARY BASIS) AND BUDGET**  
**GENERAL AND SPECIAL REVENUE FUND TYPES**  
**Year Ended June 30, 2002**

	General Fund		
	Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>\$ (3,649,106)</u>	<u>\$(4,163,579)</u>	<u>\$ 514,473</u>
<b>Other Financing Sources (Uses)</b>			
Operating transfers in	3,368,651	3,368,651	-
Operating transfers out	(27,900)	(27,900)	-
Proceeds from the sale of fixed assets	17,917	-	17,917
<b>Total Other Financing Sources (Uses)</b>	<u>3,358,668</u>	<u>3,340,751</u>	<u>17,917</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(290,438)</u>	<u>(822,828)</u>	<u>532,390</u>
<b>Fund Balances, Beginning of Year</b>	<u>1,887,165</u>	<u>1,887,165</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u><u>\$ 1,596,727</u></u>	<u><u>\$ 1,064,337</u></u>	<u><u>\$ 532,390</u></u>

The accompanying notes are an integral part of this statement.



Special Revenue Funds			Total (Memorandum Only)		
Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)	Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)
<u>\$ 6,534,764</u>	<u>\$ 3,514,234</u>	<u>\$ 3,020,530</u>	<u>\$ 2,885,658</u>	<u>\$ (649,345)</u>	<u>\$ 3,535,003</u>
199,539	199,539	-	3,568,190	3,568,190	-
(6,982,075)	(7,120,036)	137,961	(7,009,975)	(7,147,936)	137,961
<u>-</u>	<u>-</u>	<u>-</u>	<u>17,917</u>	<u>-</u>	<u>17,917</u>
<u>(6,782,536)</u>	<u>(6,920,497)</u>	<u>137,961</u>	<u>(3,423,868)</u>	<u>(3,579,746)</u>	<u>155,878</u>
(247,772)	(3,406,263)	3,158,491	(538,210)	(4,229,091)	3,690,881
<u>7,487,898</u>	<u>7,487,898</u>	<u>-</u>	<u>9,375,063</u>	<u>9,375,063</u>	<u>-</u>
<u>\$ 7,240,126</u>	<u>\$ 4,081,635</u>	<u>\$ 3,158,491</u>	<u>\$ 8,836,853</u>	<u>\$ 5,145,972</u>	<u>\$ 3,690,881</u>

**CITY OF SLIDELL, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN RETAINED EARNINGS  
ENTERPRISE FUNDS**

**Year Ended June 30, 2002 (With Comparative Totals for June 30, 2001)**

	<u>2002</u>	<u>2001</u>
<b>Operating Revenues</b>		
Water revenues	\$ 2,196,627	\$ 2,038,322
Sewerage revenues	2,776,599	2,505,087
Solid waste disposal revenues	935,284	871,972
Ad valorem taxes assessed for sewerage maintenance	648,848	638,015
Ad valorem taxes assessed for garbage service	648,848	638,015
Connection charges	225,060	166,298
Tie down and rental revenues	38,998	33,575
Penalties	<u>123,248</u>	<u>101,391</u>
 Total revenues	 <u>7,593,512</u>	 <u>6,992,675</u>
 <b>Operating expenses</b>		
Salaries, wages and related benefits	2,418,395	2,181,763
Solid waste disposal	1,731,860	1,708,667
Repairs and maintenance	880,061	442,648
Materials and supplies	249,047	195,299
Utilities	403,976	451,755
Gas and oil	44,810	47,230
Insurance	57,400	57,400
Office expense	36,688	33,773
Certification and training	10,176	12,682
Other	51,522	115,868
Payment in lieu of taxes	470,000	470,000
Bad debt expense	<u>15,603</u>	<u>11,917</u>
 Total operating expenses before depreciation	 <u>6,369,538</u>	 <u>5,729,002</u>
 Operating income before depreciation	 1,223,974	 1,263,673
 Depreciation	 <u>1,689,635</u>	 <u>1,668,808</u>
 Operating loss	 <u>(465,661)</u>	 <u>(405,135)</u>
 <b>Non-operating income (expense)</b>		
Other income, primarily interest	36,047	191,488
Grant revenue	8,500	24,550
Interest and fiscal charges	(258,933)	(257,602)
Other expenses	<u>(35,877)</u>	<u>(7,570)</u>
 Net nonoperating income (expense)	 <u>\$ (250,263)</u>	 <u>\$ (49,134)</u>

(Continued)

**CITY OF SLIDELL, LOUISIANA**  
**COMBINED STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN RETAINED EARNINGS (CONTINUED)**  
**ENTERPRISE FUNDS**  
**Year Ended June 30, 2002 (With Comparative Totals for June 30, 2001)**

	<u>2002</u>	<u>2001</u>
Net (loss) before contributions and operating transfers	\$ (715,924)	\$ (454,269)
Capital contributions	980,342	1,523,055
Operating transfers in (out)		
Operating transfers in	<u>604,904</u>	<u>152,830</u>
Net income	869,322	1,221,616
Depreciation on assets acquired with externally restricted capital contributions which reduces contributed capital	387,964	491,233
Retained earnings, beginning of year	<u>2,385,252</u>	<u>672,403</u>
Retained earnings, end of year	<u><u>\$ 3,642,538</u></u>	<u><u>\$ 2,385,252</u></u>

The accompanying notes are an integral part of this statement.

**CITY OF SLIDELL, LOUISIANA**  
**COMBINED STATEMENT OF CASH FLOWS**  
**ENTERPRISE FUNDS**  
**Year Ended June 30, 2002 (With Comparative Totals for June 30, 2001)**

	Total	
	2002	2001
<b>Cash flows from operating activities</b>		
Receipts from operations	\$ 6,168,652	\$ 5,737,232
Payments for goods and services	(2,958,996)	(2,603,115)
Payments for employee services	(2,331,714)	(2,230,071)
Payments in lieu of taxes	(470,000)	(470,000)
Payments for direct and indirect costs	(523,074)	(636,727)
Other operating income	1,297,696	1,276,030
	<u>1,182,564</u>	<u>1,073,349</u>
<b>Net cash provided by (used in) operating activities</b>		
<b>Cash flows from noncapital financing activities</b>		
Operating transfers in, net	604,904	152,830
Interfund loan	325,312	553,897
Proceeds from federal grant	8,500	24,550
Payments for study	(27,363)	-
<b>Net cash provided (used in) by noncapital financing activities</b>	<u>911,353</u>	<u>731,277</u>
<b>Cash flows from capital and related financing activities</b>		
Retirement of long term debt	(310,343)	(298,407)
Capital contributed by others	300,498	634,597
Acquisition and construction of capital assets	(2,071,137)	(2,594,253)
Proceeds from sale of capital assets	9,646	17,608
Interest paid on debt	(261,614)	(259,044)
Proceeds from DEQ loan	-	105,472
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>(2,332,950)</u>	<u>(2,394,027)</u>
<b>Cash flows from investing activities</b>		
Purchase of investments	(2,551,767)	(4,949,223)
Proceeds from maturities and sale of investments	2,799,505	5,459,000
Proceeds from interest income	14,512	104,998
<b>Net cash provided by (used in) investing activities</b>	<u>\$ 262,250</u>	<u>\$ 614,775</u>

(Continued)

**CITY OF SLIDELL, LOUISIANA**  
**COMBINED STATEMENT OF CASH FLOWS (CONTINUED)**  
**ENTERPRISE FUNDS**  
Year Ended June 30, 2002 (With Comparative Totals for June 30, 2001)

	Total	
	2002	2001
Net increase (decrease) in cash	\$ 23,217	\$ 25,374
Cash and cash equivalents, beginning of year	311,331	285,957
Cash and cash equivalents, end of year	<u>\$ 334,548</u>	<u>\$ 311,331</u>
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$ (465,661)	\$ (405,135)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,689,635	1,668,808
Bad debt expense	15,603	11,917
Change in asset and liabilities:		
(Increase) decrease in accounts receivable	(139,023)	6,504
(Increase) decrease in inventory	16,637	(15,911)
Increase (decrease) in accounts payable	65,373	(192,834)
Net cash provided by operating activities	<u>\$ 1,182,564</u>	<u>\$ 1,073,349</u>
Noncash investing, capital, and financing activities:		
Borrowing under capital lease	\$ -	\$ 199,000
Change in the fair market value of investments	23,277	73,062
Contributions of fixed assets from government	1,086,143	173,816
Contributions of fixed assets from developer	798,000	665,628
Net effect on noncash activities	<u>\$ 1,907,420</u>	<u>\$ 1,111,506</u>

Depreciation on the sewer system and airport which were acquired by grants externally restricted for the acquisition and construction of the sewer system and airport was used to reduce the contributed capital and thereby increase retained earnings. The effect on retained earnings for the year ended June 30, 2002 and 2001 was an increase of \$387,964 and \$491,233, respectively, with corresponding decreases in contributed capital.

The accompanying notes are an integral part of this statement.

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2002**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of City of Slidell, Louisiana have been prepared in conformity with generally accepted accounting principles (GAAP); these financial statements present the City as the primary government. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

**1. REPORTING ENTITY**

The City is a municipal corporation governed by an elected nine-member Council. As required by generally accepted accounting principles, these financial statements present the City as the primary government. The City has no component units; therefore, the City also represents the reporting entity.

**2. FUND ACCOUNTING**

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types". The funds, listed by type, and account groups established by the City are described below.

**General Fund** - The General Fund is a governmental fund used to account for resources traditionally associated with government which are not required legally, or by sound financial management, to be accounted for in another fund. The General Fund accounts for the normal recurring activities of the City (i.e., public safety, sanitation, general government, etc.).

**Special Revenue Funds** - These governmental funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes (other than special assessments, expendable trusts, major capital projects, water and sewerage user fees and airport user fees). The Sales Tax Fund accounts for the bond proceeds and subsequent debt service, revenues funded by the City's two percent sales and use tax, which are primarily dedicated for public improvements (see Note E), and certain grants. The Community Development Block Grant Fund accounts for the proceeds of entitlement grants received from the Department of Housing and Urban Development. The Regional Training Facility Fund accounts for the normal recurring activities of the police training facility.

**Debt Service Fund** - This governmental fund is used to accumulate monies for the payment of bond and certificate of indebtedness issues. There is no reserve or sinking fund established to cover defaults by property owners.

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2002**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Capital Projects Funds*** - These governmental funds account for the purchase, construction and renovation of the City's major capital facilities. Their resources are derived principally from proceeds of general obligation or sales tax bonds, certificates of indebtedness and U.S. Government and other agencies grants. The City Capital Construction Fund was established to account for monies received from an outside agency and proceeds from the sales of city property. The Public Works Improvement Fund was established to account for renovations and replacement of City streets and drainage. The Drainage Improvements Fund was established to account for proceeds of the General Obligation Bonds, Series 1996. The Street Improvements Fund was established to account for proceeds of the Public Improvement Sales Tax Bonds, Series 1966.

***Enterprise Funds*** - These proprietary funds are used to account for operations of the water and sewerage systems and the solid waste disposal system of the City as well as the airport, which are financed and operated in a manner similar to private business enterprises. These funds are designed to be self-supporting in that the cost of providing services to the general public on a continuing basis is to be financed or recovered primarily through user charges.

***Expendable Trust Funds*** - Assets held by the City in a fiduciary capacity for individuals, organizations and others are accounted for in these fiduciary funds, which are primarily financed by private contributions. The 2002 balances include the Animal Assistance League of Slidell Fund for the care and protection of stray animals, the Christmas Under the Stars Fund to promote Christmas programs, the Green Fund for the Slidell Heritage Green and Beautiful Committee, and the Old Towne Development Fund to promote the revitalization of the downtown area of Slidell.

***General Fixed Assets Account Group*** - The General Fixed Assets Account Group is used to account for the general fixed assets of the City, other than assets of the Enterprise Funds. Capital expenditures in funds other than the Enterprise Funds are recorded as expenditures of those funds at the time of purchase and are subsequently recorded, at cost, for control purposes in the General Fixed Assets Account Group unless the assets are contributed to the Enterprise Funds. Depreciation is not recorded on general fixed assets.

***General Long-Term Debt Account Group*** - The General Long-Term Debt Account Group represents a summary of the general obligation, sales tax and certificates of indebtedness as well as certain other long-term liabilities of the City.

***Fund Equity*** - Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The proprietary fund's contributed capital represents equity acquired through capital grants and capital contributions from developers, customers or other funds.



**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2002**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. The proprietary funds operating statement presents increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Under the provisions of GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," the City has elected not to follow Financial Accounting Standards Board guidance issued subsequent to November 30, 1989.

***Accrual Basis of Accounting*** - The accrual basis of accounting is utilized by proprietary fund types (the City's Enterprise Funds) whereby revenues are recorded as earned and expenses are recorded when incurred. Monthly billings for services are made based on metered or fixed monthly rates, as applicable. Substantially all accounts of the City are metered. The remaining customers are charged a fixed rate, based on estimated usage and approved by the City Council. Unbilled water and sewer utility service and solid waste disposal service receivables are recorded by the City.

***Modified Accrual Basis of Accounting*** - All governmental fund types and expendable trust funds are accounted for under the modified accrual basis of accounting utilizing the following practices:

Revenues are accrued when the amounts to be received are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Grants from the U.S. Government and the State are accrued when the City has a right to reimbursement under the related grant, generally corresponding to the incurrence of grant related costs by the City. Ad valorem taxes are recorded in the year the taxes are levied to the extent that they are determined to be currently collectible. The year-end accrual of sales and use tax revenue is based upon sales and use taxes collected during July of the following year. Interest income on investments held at year-end is accrued.

Expenditures, except as indicated otherwise, are recorded at the time the related fund liabilities are incurred. Interest payments on general long-term debt are not accrued but are recorded when paid. Amounts payable under construction contracts, including the applicable retainage, are recorded in the period during which the related work is performed by the contractor. Also, capital outlays are recorded as expenditures at the time of acquisition.



**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2002**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4. BUDGETARY ACCOUNTING**

***Budget Policies*** - The Mayor and City Council approve, prior to the beginning of each year, an annual operating budget prepared on the modified accrual basis for general governmental activities except that encumbrances are treated as budgeted expenditures in the year of incurrence of the commitment to purchase. State supplemental pay (\$273,045 in 2002) to police officers are not treated as budgeted revenues and expenditures of the General Fund. Payments under capital leases are treated as expenditures in the year of payment for budgetary purposes. At the end of the fiscal year, unexpended and unencumbered appropriations of these funds automatically lapse with the exception of capital outlay appropriations which lapse after three fiscal years.

Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds, the only fund types having legally adopted annual budgets. Expenditures are budgeted at the departmental level, which is the level at which expenditures may not legally exceed appropriations. For all other funds effective budgetary control is alternatively achieved through bond indenture provisions, certificate of indebtedness provisions, and trust agreements. Certain revenues, capital outlay, and claims, judgments and disasters expenditures arise from special grants, contracts, and specific events which specify the use of the funds and, accordingly, no budgetary control is required.

During the year, the Mayor may authorize transfers between line items within a department without Council approval. Upon request by the Mayor, the Council may amend departmental or fund level appropriations during the year. The budget data reflected in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Actual (Adjusted to Budgetary Basis) and Budget (see pages 11 to 14) includes the effect of such appropriation amendments approved by the City Council during the current year. These amendments may reappropriate designated and/or reserved funds rolling forward from the previous year for various capital projects as well as amend the distributions of operating funds already appropriated.

**5. ENCUMBRANCES**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General and Special Revenue Funds. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities and because the commitments will be honored during the subsequent year. There were no encumbrances outstanding at June 30, 2002.

**6. CASH AND CASH EQUIVALENTS**

For purposes of the statement of cash flows, the Enterprise Funds consider all highly liquid investments (including certificates of deposit) with maturity of three months or less when purchased to be cash equivalents.

**7. INVESTMENTS**

Louisiana statutes permit the City to invest in United States bonds, treasury notes, or certificates, or other obligations of the U.S. Government and agencies of the U.S. Government, which are federally sponsored, and certificates of deposit of state banks, organized under the State of Louisiana and national banks having their

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2002**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**7. INVESTMENTS (CONTINUED)**

principal office in the State of Louisiana, or in mutual or trust fund institutions which are registered and which have underlying investments limited to securities of the U.S. Government or its agencies.

**8. TRANSFERS**

Advances between funds, which are not expected to be repaid, are accounted for as transfers. In those cases in which repayment is expected, the advances are accounted for through the various due to and due from accounts.

**9. PAYMENT IN LIEU OF TAXES**

Costs associated with general governmental operations of the City are initially recorded in the General Fund. A portion of these costs is applicable to the administration and operation of the Special Revenue and Enterprise Funds.

For the Special Revenue Funds, in lieu of an administrative cost allocation, the City budgets an operating transfer of a portion of the sales tax revenues to the General Fund.

For the Enterprise Funds, the payment in lieu of taxes is made to the General Fund based on rates the General Fund would have charged a third party for the services provided. The rates are determined based on the current franchise and property millage tax rates.

**10. INVENTORIES**

Inventories are valued at cost using the first in, first out (FIFO) method. Inventories in the General and Special Revenue Funds consist of materials and supplies held for consumption and are accounted for using the consumption method whereby individual items are recorded as expenditures when they are consumed. Inventories in the General and Special Revenue Funds are *equally offset* by a reservation of fund balance, which indicates that although inventories are a component of net current assets, they do not constitute "available spendable resources." Inventories in the Enterprise Funds consist of chemicals, repair materials, and spare parts. These inventories are also accounted for using the consumption method.

**11. RESTRICTED ASSETS**

Restricted assets on the balance sheet of the Special Revenue Funds represent amounts which are required to be maintained pursuant to the ordinances relating to the Recreational Bonds of 1980, the Series 1987, 1988 and 1996 Public Improvement Bonds, and the 1993A and 1993B Refunding Bonds (bond sinking fund and reserve fund, see Note F). A corresponding amount of fund balance is reserved as these monies are legally segregated for a specific future use.

Restricted investments on the balance sheet of the General Fund represent a certificate of deposit of \$275,000 required to be maintained and held by the Workers Compensation Fund (a State of Louisiana agency) as collateral against the City's self-insured portion of workers' compensation claims. A corresponding amount of fund balance is reserved as these monies are legally segregated for a specific future use. Restricted cash on the balance sheet of the General Fund totaling \$715,325 represents cash received through grants and \$142,303

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2002**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**11. RESTRICTED ASSETS (CONTINUED)**

received through various law enforcement seizures that are restricted for future law enforcement activity.

Restricted assets on the balance sheet of the Enterprise Funds represent funds held for customer deposits and amounts, which are required to be maintained pursuant to ordinances relating to the Series 1996 and 1996A Utilities Revenue Bonds.

**12. FIXED ASSETS AND DEPRECIATION**

All fixed assets of the City not utilized by the Enterprise Funds are capitalized in the General Fixed Assets Account Group. Assets are recorded at cost or estimated historical cost, if purchased, and at fair market value at date of gift, if donated. In addition to land, buildings, and equipment, the City capitalizes as general fixed assets certain other public domain (infrastructure) improvements including streets, bridges and drainage systems. The City does not depreciate general fixed assets or capitalize interest on construction-in-progress.

Fixed assets in the City's Enterprise Funds are recorded at cost, if purchased, and at fair market value at date of gift, if donated. Major additions are capitalized while maintenance and repairs that do not improve or extend the life of the respective assets are charged to expense. Contributions received in aid of construction are credited to the contribution account and do not reduce the cost of the assets acquired with such contributions.

Depreciation on fixed assets acquired by grants externally restricted for capital acquisition and construction reduces the appropriate contributed capital account and is recorded as a retirement of contributed capital, thereby increasing retained earnings.

Depreciation is provided on the straight-line method for fixed assets of the Enterprise Funds. The following useful lives are used for depreciation purposes:

<u>Asset Description</u>	<u>Asset Life</u>
<u>Water System</u>	
Wells	20 years
Storage tanks	20 years
Lines	50 years
<u>Sewerage System</u>	
Disposal plant	50 years
Pump stations and lines	50 years
<u>General</u>	
Trucks	4 years
Equipment	10 years
<u>Airport Facility</u>	
Machinery and equipment	10 years
Parking facilities	7 years
Building	20 years

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2002**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**13. COMPENSATED ABSENCES**

Vacation and sick leave benefits are based on the number of years of service and may be carried forward to subsequent years. However, upon retirement or termination, only 45 days earned vacation will be paid to policemen, and 30 days earned vacation will be paid to all other City employees. In addition, 45 days earned sick leave will be paid to policemen, and 30 days earned sick leave will be paid to all other City employees only upon retirement. Compensatory absences earned but not paid are fully accrued in the Enterprise Funds. In the governmental funds, only that portion which will be liquidated within one year with expendable available financial resources is accrued at year-end. The term "expendable available financial resources" as used in this context means unreserved, undesignated fund balance. Effective in fiscal year 2002, upon retirement unused and unpaid sick leave and vacation leave are converted to time served for retirement credit.

**14. AD VALOREM TAXES**

Ad valorem taxes are levied based on a calendar year. The tax is due and becomes an enforceable lien on the property when the tax bills are mailed in early December. Although the bill states the property taxes are due on December 31, penalties are assessed for any payment not received by January 15. Taxes are billed and collected by the St. Tammany Sheriff's Office, which receives a fee per property tax bill for its services. Property tax revenues are recognized when levied to the extent that they are determined to be currently collectible. Any unpaid taxes are collected in connection with a tax sale held in June.

**15. TOTAL COLUMNS ON COMBINED STATEMENTS**

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position and results of operations in conformity with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

**NOTE B - CASH AND INVESTMENTS**

As reflected in the Combined Balance Sheet, the City had the following cash and investments as of June 30, 2002.

<u>Cash and Investments</u>	<u>Total</u>
Unrestricted	\$ 9,372,595
Restricted	<u>5,111,160</u>
	<u>\$ 14,483,755</u>

**Deposits** - Under State law the City may deposit funds with a fiscal agent bank located within the municipality and organized under the laws of the State of Louisiana, any other state in the union, or under the laws of the United States. Further, the City may invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2002**

**NOTE B - CASH AND INVESTMENTS (CONTINUED)**

Bank deposits must be secured by federal depository insurance or the pledge of securities owned by the bank. The market value of the pledged securities must at all times equal or exceed 100% of the uninsured amount on deposit with the bank.

At June 30, 2002, the carrying amount of the City's cash and certificates of deposit was \$7,756,214 of which \$300,000 is classified as investments at June 30, 2002, and the bank balance was \$8,841,323. The difference is primarily due to outstanding checks. The entire bank balance was either covered by federal depository insurance or by collateral held by the City's third-party agent in the City's name (Category 1).

*Investments* - In addition to the bank certificates of deposit described above, under State law, the City may also invest in obligations of the U.S. Treasury or any other federally insured investment. Investments are stated at fair value in accordance with Government Accounting Standards Board Statement (GASB) No 31. The City's investments are categorized below to give an indication of the level of risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the financial institution, or by its trust department or agent, but not in the City's name. Balances at June 30, 2002 were as follows:

	<u>Category</u>			<u>Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
U. S. Government Securities	\$ 2,759,323	\$ -	\$ -	\$ 2,759,323
U.S. Government Agency Securities	<u>3,968,218</u>	<u>-</u>	<u>-</u>	<u>3,968,218</u>
Total	<u>\$ 6,727,541</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,727,541</u>

**NOTE C - RETIREMENT PLANS**

The City provides pension benefits for all of its full-time employees through two separate cost-sharing, multiple-employer public employee retirement systems. All full-time City employees, except police, are members in the Municipal Employees' Retirement System of the State of Louisiana (the Municipal System). All full-time police are members of the Municipal and State Police Retirement System of Louisiana (the Police System).

The City's total payroll cost, excluding benefits, was approximately \$10,260,000 for fiscal 2002. Also, police officers receive on-behalf payments of State Supplemental pay, which totaled \$273,045 for fiscal 2002. Contributions to these retirement systems were based on participating full-time employee earnings, which were approximately as follows for fiscal 2002:

Municipal System	\$ 5,496,000
Police System	<u>2,902,000</u>
Total	<u>\$ 8,398,000</u>



**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2002**

**NOTE C - RETIREMENT PLANS (CONTINUED)**

Municipal employees participating in the Municipal System are entitled to a retirement benefit at or after age 60 with 10 years of creditable service, age 55 with 25 years of creditable service or at any age with 30 years of creditable service. The retirement benefit is generally three percent of the member's final compensation multiplied by his years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. The system also provides death and disability benefits as well as a deferred retirement option. Benefits are established by state legislation. The Municipal System issues a publicly available financial report that includes the financial statements and required supplementary information for the Municipal System. That report may be obtained by writing to the Municipal Employees' Retirement System, 7937 Office Park Blvd, Baton Rouge, Louisiana, 70809.

Police participating in the Police System for at least one year are eligible for normal retirement at or after age 50 with 20 years of creditable service or age 55 with 12 years creditable service. The retirement benefit is generally three and one-third percent of the members average final compensation multiplied by his years of creditable service (not to exceed 100% of average final compensation). The system also provides death and disability benefits as well as a deferred retirement option. Benefits are established by State legislation. The Police System issues a publicly available financial report that includes the financial statements and required supplementary information for the Police System. That report may be obtained by writing to the Municipal and State Police Retirement System of Louisiana, 8401 United Plaza Building, Room 235, Baton Rouge, Louisiana, 70809.

State legislation has established the obligations of the City and its employees for contributions at 7.00% and 9.25% of employee earnings, respectively, for the Municipal System, as well as 9.00% and 7.50% of employee earnings, respectively, for the Police System. The contributions made by the City are greater than its obligations established by the State legislature in order to reduce employee contributions accordingly. The City contributed 16.25% of participating employee earnings to the Municipal System for 2002. The City's contributions to the Police System were 16.50% of the participating policemen's wages for 2002. The City's contributions to the Municipal System for the years ending June 30, 2002, 2001 and 2000 were approximately \$893,000, \$814,000, and \$794,000, respectively, equal to the required contribution for each year. The City's contributions to the Police System for the years ending June 30, 2002, 2001 and 2000 were approximately \$479,000, \$476,000 and \$410,000, respectively, equal to the required contribution for each year.

**NOTE D - GRANTS FROM OTHER GOVERNMENTAL ENTITIES**

Federal and state governmental entities represent an important source of supplementary funding used to finance the City's construction programs and other activities beneficial to the community. This funding, primarily in the form of grants, is recorded in the General, Special Revenue and Capital Projects Funds. As discussed in Note A, a grant receivable is recorded when the City has a right to reimbursement under the related grant.

The grants received by the City specify the purpose for which the grant monies are to be used, and such grants are subject to audit by the granting agency or its representative.

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2002**

**NOTE D - GRANTS FROM OTHER GOVERNMENTAL ENTITIES (CONTINUED)**

The following revenues under various grants and entitlements are recorded in the accompanying financial statements:

General Fund	\$ 55,347
Special Revenue Funds	1,923,189
Capital Project Funds	646,212
Enterprise Funds	<u>8,500</u>
	<u>\$ 2,633,248</u>

The City also received \$182,342 and \$857,427 for the years ending 2002 and 2001, respectively as the result of federal and state grants that were externally restricted for capital improvements. These funds were recorded as capital contributions in the Combining Statement of Revenues, Expenses and Changes in Retained Earnings (Deficit) in the Enterprise Funds.

**NOTE E - DEDICATED REVENUES**

The City collects a two percent sales and use tax pursuant to two separate one percent tax propositions approved by the voters in November 1962 (fiscal 1963) and September 1986 (fiscal 1987). These revenues are dedicated for specific purposes and are accounted for in a separate Special Revenue Fund.

An inter-governmental agreement (known as the Sales Tax Enhancement Plan) was executed between the City and Sales Tax District #3 of St. Tammany Parish. The agreement targets all undeveloped commercial properties (within St. Tammany Parish) annexed into the City after November 4, 1986 and stipulates that the two percent sales and use tax derived from the subsequent development of such properties be split equally (after the City recovered approximately \$1,386,000 of costs relating to the extension of services to two retail developments) between the City and Sales Tax District M3 of St. Tammany Parish. This agreement has a twenty-year life, expiring December 1, 2006. The City has entered into negotiations with St. Tammany Parish to renew this agreement.

Dedication of the 1963 tax, as amended, requires one half of all proceeds of the tax to be used first for debt service requirements and the costs for bonds issued for the purpose of constructing, acquiring, or improving lands, buildings or other works of public improvement for the City, including equipment and furnishings thereof, title to which shall be in the public. The remaining dedicated revenue is to be used for constructing, acquiring or improving the aforementioned capital improvements. The proposition also provides for one half of the 1963 sales and use tax revenues to be undedicated. These undedicated revenues are available for general operations.

All of the proceeds of the 1987 tax, after paying the reasonable and necessary expenses of collecting and administering the tax, are dedicated to be used for purchasing, constructing, acquiring, extending, improving, maintaining, and/or operating public facilities, public works or capital improvements and paying the capital costs of police protection and public safety for the City or any sites, equipment and furnishings thereof. According to the voter-approved proposition, the City is further authorized to fund the proceeds of the tax into bonds for the above stated capital purposes.

Proceeds of both the 1963 and 1987 sales and use taxes serve as security for outstanding sales tax revenue bonds (see Note F).

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2002**

**NOTE F - LONG-TERM DEBT**

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2002:

	<u>Balance 6/30/01</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>Balance 6/30/02</u>
<b>Governmental Fund Types</b>				
General Obligation Bonds	\$ 12,040,000	\$ -	\$ 765,000	\$ 11,275,000
Sales Tax Revenue Bonds	16,916,375	-	1,281,000	15,635,375
Certificate of Indebtedness	1,745,000	-	400,000	1,345,000
Compensated Absences (Note A)	280,000	540,000	-	820,000
Capital Lease Obligation (Note F)	127,036	-	61,476	65,560
LCDA Loan (Note F)	1,307,500	2,650,000	88,500	3,869,000
Claims and Judgments (Note L)	<u>195,000</u>	<u>-</u>	<u>187,000</u>	<u>8,000</u>
Total Governmental Fund Type	<u>32,610,911</u>	<u>3,190,000</u>	<u>2,782,976</u>	<u>33,017,935</u>
<b>Proprietary Fund Types</b>				
Utility Revenue Bonds	5,610,000	-	260,000	5,350,000
Equipment Leases (Note F)	<u>192,841</u>	<u>-</u>	<u>47,662</u>	<u>145,179</u>
Total Proprietary Fund Types	<u>5,802,841</u>	<u>-</u>	<u>307,662</u>	<u>5,495,179</u>
Total All Fund Types	<u>\$ 38,413,752</u>	<u>\$ 3,190,000</u>	<u>\$ 3,090,638</u>	<u>\$ 38,513,114</u>



**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2002**

**NOTE F - LONG-TERM DEBT (CONTINUED)**

Details on the City's long-term debt as of June 30, 2002 are as follows:

General Obligation Bonds secured by ad valorem taxes:

Refunding Bonds, Series 1994, bearing interest from 3.15% to 5.50%, payable annually through 2009	\$ 3,495,000
Drainage Bonds, Series 1996, bearing interest from 4.43% to 10.00%, payable annually through 2016	<u>7,780,000</u>
	<u>\$ 11,275,000</u>

Sales Tax Bonds secured by sales and use taxes:

Recreation Bonds of 1980, secured by a lien and irrevocable pledge of the proceeds of the City's one percent sales and use tax levied in 1963, on a parity with the Series 1986 Public Improvement Bonds, bearing interest at 5%, payable annually through 2005	\$ 265,375
Public Improvement Bonds, Series 1987 and 1988, secured by a lien and irrevocable pledge of the proceeds of the City's one percent sales and use tax levied in 1987, bearing interest from 6.7% to 12%, payable annually through 2004	880,000
Public Improvement Refunding Bonds, Series 1993B, secured by a lien and irrevocable pledge of the proceeds of the City's one percent sales and use tax levied in 1987 bearing interest from 3.10% to 5.50%, payable annually through 2008	4,500,000
Public Improvement Refunding Bonds, Series 1993A, secured by a lien and irrevocable pledge of the proceeds of the City's one percent sales and use tax levied in 1963 bearing interest from 3.10% to 5.65%, payable annually through 2011	2,390,000
Public Improvement Bonds, Series ST-1996, secured by a lien and irrevocable pledge of the proceeds of the City's one percent sales and use tax levied in 1987 bearing interest from 5.375% to 10%, payable annually through 2016	<u>7,600,000</u>
	<u>\$ 15,635,375</u>

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2002**

**NOTE F - LONG-TERM DEBT (CONTINUED)**

Certificates of Indebtedness, unsecured:

Certificates of Indebtedness, bearing interest from 5.1% to 5.125% payable annually through 2005	<u>\$ 1,345,000</u>
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Utility Revenue Bonds, secured:

Utility Revenue Bonds, Series 1996, secured by revenues of the Utility Fund, bearing interest from 4.6% to 5.55% payable annually through 2016	\$ 2,045,000
Current portion	<u>105,000</u>

Long-term debt	<u>\$ 1,940,000</u>
----------------	---------------------

Utility Revenue Bonds, Series 1996A, secured by revenues of the Utility Fund, bearing interest at 3.95%, payable annually through 2017	\$ 3,305,000
Current portion	<u>165,000</u>

Long-term debt	<u>\$ 3,140,000</u>
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**Louisiana Community Development Authority Loan**

In fiscal year 2002, the City executed a loan agreement with the Louisiana Governmental Environmental Facilities and Community Development Authority (the "LCDA") for \$5,000,000, for the purpose of providing funding for various infrastructure improvements. Loan proceeds of \$2,650,000 have been drawn in 2002 and are recorded in the Public Works Improvement Capital Projects Fund as another financing source. The loan agreements provide that the principal amount due thereon shall be only such amount as has been drawn down by the City. An amount also has been recorded in the General Long-Term Debt Account Group equal to the amount of the drawdowns less any principal repayment during the year as of June 30, 2002. Disclosure of future debt principal and interest payments have been estimated based on the outstanding balance of \$3,869,000 drawn down at an assumed interest rate and repaid over the next 16 years.

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2002**

**NOTE F - LONG-TERM DEBT (CONTINUED)**

The annual requirements, including interest payments of \$12,369,275, to amortize all debt outstanding as of June 30, 2002 are as follows:

<u>Year ending June 30,</u>	<u>General Obligation</u>	<u>Sales Tax</u>	<u>Certificates of Indebtedness</u>	<u>Utility Revenue</u>	<u>LCDA Loan</u>	<u>Total</u>
2003	\$ 1,369,098	\$ 2,190,092	\$ 488,714	\$ 510,470	\$ 277,210	\$ 4,835,584
2004	1,377,190	2,184,610	497,294	509,122	277,317	4,845,533
2005	1,382,590	2,187,908	499,344	512,237	285,705	4,867,784
2006	1,384,330	2,108,401	-	509,607	291,622	4,293,960
2007	1,397,641	2,117,980	-	511,421	288,901	4,315,943
2008-2012	5,157,219	6,825,298	-	2,539,676	1,522,855	16,045,048
2013-2017	3,199,750	3,192,268	-	2,331,411	1,672,639	10,396,068
2018-2020	-	-	-	-	243,730	243,730
	<u>\$ 15,267,818</u>	<u>\$20,806,557</u>	<u>\$ 1,485,352</u>	<u>\$ 7,423,944</u>	<u>\$ 4,859,979</u>	<u>\$49,843,650</u>

At June 30, 2002, the following amounts are considered available for the retirement of general long-term debt:

Special Revenue Funds	\$ 2,891,134
Debt Service Fund	<u>1,144,313</u>
	<u>\$ 4,035,447</u>

In accordance with the Revised Statutes of the State of Louisiana, aggregate debt payable solely from ad valorem taxes for each specific purpose shall not exceed 35% of total assessed valuation of taxable property. As of June 30, 2002, the City was in compliance with these statutes.

Pursuant to the Revenue Bond Resolution and the Recreation Bonds of 1980, Series 1987, 1988 and 1996 Public Improvement Bond ordinances, and the 1993A and 1993B Refunding Bond ordinances, and Utility Revenue Bonds, Series 1996, certain assets of the Special Revenue and Enterprise Funds are restricted (see Note A). As of June 30, 2002, the City is in substantial compliance with the restrictive covenants of its debt agreements.

In prior years the City defeased certain general obligation and sales tax bonds and sewerage certificates by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds and certificates. Accordingly, the trust account assets and the liabilities for the defeased bonds and certificates are not included in the City's financial statements. There are no bonds considered defeased as of June 30, 2002.

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2002**

**NOTE F - LONG-TERM DEBT (CONTINUED)**

**Capital Leases**

**Police Radios**

In 1999, the City entered into a capital lease agreement for the lease/purchase of police radios that require five yearly payments of \$69,916 beginning in August 1998. At the conclusion of the lease on August 1, 2003, the title to those radios will be transferred to the City.

The following is a summary of the annual requirements to retire long-term obligations for the capital lease including interest of \$4,356 at June 30, 2002. This amount has been recorded in the General Long-Term Debt Account Group.

<b>Year End</b>	<b>Capital</b>
<b><u>June 30,</u></b>	<b><u>Lease</u></b>
2003	\$ 69,916
Less amount representing interest	<u>4,356</u>
	<u>\$ 65,560</u>

**Various Equipment**

The City has entered into two capital leases for the lease/purchase of various equipment, which has been recorded in the enterprise funds. The leases require five yearly payments of \$13,928 beginning in November 1999 and \$44,157 beginning in December 2000. At the conclusion of the leases on November 17, 2003 and December 15, 2004, the title to the equipment will be transferred to the City.

The following is a summary of the annual requirements of the lease including interest of \$15,148 at June 30, 2002.

<b>Year End</b>	<b>Capital</b>
<b><u>June 30,</u></b>	<b><u>Lease</u></b>
2003	\$ 58,085
2004	58,085
2005	<u>44,157</u>
Less amount representing interest	<u>15,148</u>
	<u>\$ 145,179</u>

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2002**

**NOTE G - INTERFUND TRANSACTIONS**

Interfund Assets/Liabilities

Individual fund interfund receivables and payables at June 30, 2002 are as follows:

<u>Fund</u>	<u>Receivable Fund</u>	<u>Payable Fund</u>
General Fund	\$ 485,019	\$ 5,094,376
Special Revenue:		
Sales Tax	2,979,275	-
Community Development Block Grant	-	111,414
Regional Training Facility	69,436	-
Debt Service Fund	17,770	-
Capital Projects Funds:		
Drainage Improvements	9,520	-
Public Works Improvements	-	313,241
City Capital Construction	43,987	-
Enterprise Funds:		
Utilities	1,916,286	-
Airport	-	60,364
Expendable Trust Funds:		
Christmas Under the Stars	29,197	-
Old Towne Development	226	-
Animal Assistance League of Slidell	27,526	-
Green	<u>1,153</u>	<u>-</u>
	<u>\$ 5,579,395</u>	<u>\$ 5,579,395</u>

A summary of operating transfers by fund type for the year ended June 30, 2002 is as follows:

<u>Fund</u>	<u>Transfers To Or From</u>	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund	Special Revenue Funds	\$ 3,368,651	\$ -
	Enterprise Funds	<u>-</u>	<u>27,900</u>
		<u>3,368,651</u>	<u>27,900</u>
Special Revenue Funds	General Fund	-	3,368,651
	Special Revenue Funds	199,539	199,539
	Debt Service Funds	-	2,836,881
	Enterprise Funds	<u>-</u>	<u>577,004</u>
		<u>199,539</u>	<u>6,982,075</u>

CITY OF SLIDELL, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2002

**NOTE G - INTERFUND TRANSACTIONS (CONTINUED)**

<u>Fund</u>	<u>Transfers To Or From</u>	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
Debt Service Funds	Special Revenue Funds	<u>2,836,881</u>	<u>-</u>
		<u>2,836,881</u>	<u>-</u>
Enterprise Funds	General Fund	27,900	
	Special Revenue Funds	<u>577,004</u>	<u>-</u>
		<u>604,904</u>	<u>-</u>
Total Operating Transfers		<u>\$ 7,009,975</u>	<u>\$ 7,009,975</u>

**NOTE H - ALLOWANCE FOR DOUBTFUL ACCOUNTS**

The water, sewerage and garbage receivable balance of \$701,670 is net of an allowance for doubtful accounts of \$123,077.

**NOTE I - PROPERTY, PLANT AND EQUIPMENT AND CONTRIBUTED CAPITAL**

A summary of changes in general fixed assets for the year ended June 30, 2002 is as follows:

	<u>June 30, 2001</u>	<u>Additions</u>	<u>Reductions</u>	<u>Construction In Progress</u>	<u>June 30, 2002</u>
Land and land improvements	\$ 6,857,625	\$ 1,259,325	\$ -	\$ 707,047	\$ 8,823,997
Buildings and improvements	11,114,175	421,317	130,080	35,323	11,440,735
Streets and sidewalks	21,796,921	1,847,195	-	112,649	23,756,765
Drainage	27,087,001	2,529,950	-	993,390	30,610,341
Office equipment	2,483,667	92,901	198,665	-	2,377,903
Machinery and equipment	2,347,730	421,536	8,972	34,109	2,794,403
Vehicles	4,009,411	413,695	285,346	-	4,137,760
Bridges	666,530	48,638	-	-	715,168
Construction-in-progress	<u>5,216,220</u>	<u>2,519,048</u>	<u>-</u>	<u>(1,882,518)</u>	<u>5,852,750</u>
	<u>\$ 81,579,280</u>	<u>\$ 9,553,605</u>	<u>\$ 623,063</u>	<u>\$ -</u>	<u>\$ 90,509,822</u>

Construction-in-progress primarily consists of street and drainage and building improvements which are financed by general obligation bonds, sales tax revenues and sales tax bonds, CDBG and City capital fund monies.

A summary of property, plant, and equipment of the Enterprise Funds as of June 30, 2002 follows:

Land and land improvements	\$ 4,347,838
Building and improvements	172,685
Water system	19,613,370
Sewerage system	33,025,904
General equipment	2,986,235
Construction-in-progress	<u>977,983</u>
	61,124,015
Less: Accumulated depreciation	<u>(21,468,845)</u>
Property, plant, and equipment, Net	<u>\$ 39,655,170</u>

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2002**

**NOTE I – PROPERTY, PLANT AND EQUIPMENT AND CONTRIBUTED CAPITAL (CONTINUED)**

A detail of the changes in contributed capital of the Enterprise Funds for the year ended June 30, 2002 follows:

	<u>June 30, 2001</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2002</u>
Contributions from:				
Federal grants	\$ 9,476,157	\$ -	\$ 322,712	\$ 9,153,445
Municipalities	13,054,856	1,086,143	-	14,140,999
Sales and use tax	7,903,260	-	-	7,903,260
Special assessments	1,233,582	-	-	1,233,582
State government	799,121	-	65,252	733,869
Other	<u>843,020</u>	<u>-</u>	<u>-</u>	<u>843,020</u>
	<u>\$ 33,309,996</u>	<u>\$ 1,086,143</u>	<u>\$ 387,964</u>	<u>\$ 34,008,175</u>

Depreciation of \$387,964 on the sewer system and airport acquired by grants externally restricted for the acquisition and construction of the sewer system and airport was used to reduce the contributed capital account which increased retained earnings by a corresponding amount.

**NOTE J – COMMITMENTS**

The local electric company owns and leases to the City certain street lighting facilities. In 1986 the City renegotiated the lease agreement, which expired in December 2001 but automatically renews for one-year intervals until cancelled. The City has no intention of canceling this lease at this time. The total amount paid by the City in 2002 for street lighting under this agreement was approximately \$352,000.

The City has contracts with a sanitation disposal company to provide garbage collection and recycling services to City residents. These contracts, which expires April 30, 2004, requires the City to pay a monthly fee of \$14.43 per household for service. The City in turn bills a monthly fee of approximately \$9.17 per household and collects a 5 mill property tax for garbage collection in accordance with the voter-approved proposition. The City paid approximately \$1,593,000 for sanitation services under this contract in 2002. The disposal company charges a fee to perform services above and beyond the normal monthly services, as defined in the contract, which amounted to approximately \$13,000 for 2002.

The City has also contracted with a construction company to build two east-west lanes at the Slidell Municipal Airport. The new taxi lanes will provide access to aircraft hangers used to house private planes. The project is expected to take about four months to complete and cost approximately \$335,000, which is being paid for with federal and state grant monies.

**NOTE K – CONTINGENT LIABILITIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds.

The City is a defendant in a number of claims and lawsuits resulting principally from personal injury, property damage, and construction claims. The City Attorney and the outside administrator has reviewed these claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the City and to arrive at an estimate, if any,



**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2002**

**NOTE K – CONTINGENT LIABILITIES (CONTINUED)**

of the amount or range of potential loss to the City. As a result of such review, the various claims and lawsuits have been categorized into “probable,” “reasonably possible,” and “remote” contingencies, as defined in National Council on Governmental Accounting Statement 4 for Claims and Judgments. The City’s “reasonably possible” loss contingencies at June 30, 2002 approximate \$62,500 to \$87,500.

**DEQ Compliance Order**

During 2001, the State of Louisiana Department of Environmental Quality issued the City a Consolidated Compliance Order for wastewater operation and maintenance deficiencies that were in violation. On August 28, 2001, the City responded to the Order with a plan of action to correct the cited violations. Failure to comply with the provisions of the Order could result in civil penalties of not more than \$27,500 for each day of violation. The City believes that the plan of action will be accepted by the DEQ and has not made an accrual for any potential liabilities at this time.

**NOTE L – RISK MANAGEMENT**

The City is exposed to various risks of loss related to thefts of, damage to, and destruction of assets, errors and omissions, negligent acts of law enforcement officials and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims did not exceed insurance coverage for fiscal years ended June 30, 2002, 2001 and 2000.

In 1988, the City initiated a self-insured retention program in order to deal with certain other potential liabilities. In 1990 the City became self-insured for employee medical and dental insurance and in 1997 the City elected full coverage medical insurance. Claims in excess of the self-insured retention amounts are covered through third-party limited-coverage insurance policies. The City is self-insured with excess coverage in these areas: (a) workers’ compensation with a \$225,000 retention and statutory limit on coverage, (b) general liability with a \$50,000 retention per occurrence and a \$1,000,000 limit per occurrence and \$2,000,000 aggregate limit on coverage, (c) auto liability with a \$50,000 retention per accident and a \$1,000,000 per occurrence. The City also has an aggregate stop loss of \$1,200,000 for the three-year period ending December 31, 2002 for workers’ compensation claims and an annual stop loss of \$225,000 for general liability and auto liability combined. Effective July 1, 2002, the City is self-insured for employee medical insurance with a \$50,000 retention per individual and an aggregate stop loss of \$2,866,000.

The City uses the General Fund to account for self-insured risk financing activities. Claims in excess of amounts payable with expendable available resources totaling approximately \$8,000 is reported in the General Long-Term Debt Account Group (see Note F). The Sales Tax Fund, Regional Training Facility Fund and the Enterprise Funds make contributions to the General Fund for workers’ compensation and employee dental insurance claims. Estimated losses from claims are recorded when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The expenditure and liability includes an amount for claims that have been incurred but not yet reported. The liability for claims is based on the estimated ultimate cost of settling the claims using past experience adjusted for current trend. Changes in the claims liability amounts are as follows:



**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2002**

**NOTE L – RISK MANAGEMENT (CONTINUED)**

	<u>Automobile General Liability</u>	<u>Workers Compensation</u>	<u>Employee Dental</u>	<u>Total</u>
Balance, June 30, 2000	\$ 504,453	\$ 485,829	\$ 59,840	\$1,050,122
Claims and changes in estimates	333,817	163,463	174,097	671,377
Claim payments	<u>(78,051)</u>	<u>(119,597)</u>	<u>(177,868)</u>	<u>(375,516)</u>
Balance, June 30, 2001	760,219	529,695	56,069	1,345,983
Claims and changes in estimates	(20,055)	9,205	207,997	197,147
Claim payments	<u>(62,222)</u>	<u>(107,179)</u>	<u>(213,707)</u>	<u>(383,108)</u>
Balance, June 30, 2002	<u>\$ 677,942</u>	<u>\$ 431,721</u>	<u>\$ 50,359</u>	<u>\$1,160,022</u>

**NOTE M – OTHER POST EMPLOYMENT BENEFITS**

In addition to the retirement benefits described in Note C, City policy allows the City to make available health care benefits to all employees who retire from the City and are receiving benefits from a City sponsored retirement program. Currently, 57 retirees of the City meet these requirements and are participating. The City paid premiums totaling \$409,000 on behalf of retirees in 2002.

**NOTE N – SEGMENT INFORMATION - ENTERPRISE FUNDS**

The City maintains two enterprise funds that are intended to be self-supporting through user fees charged for services to the public. Financial segment information as of and for the year ended June 30, 2002 is presented below:

	<u>Utility</u>	<u>Airport</u>	<u>Total</u>
Operating revenues	\$ 7,554,514	\$ 38,998	\$ 7,593,512
Operating expenses (excluding depreciation)	6,237,050	132,488	6,369,538
Depreciation expense	1,561,245	128,390	1,689,635
Operating (loss)	(243,781)	(221,880)	(465,661)
Non-operating revenues (expenses) (excluding grant revenues)	(230,404)	(28,359)	(258,763)
Grant revenues	-	8,500	8,500
Capital contributions	895,600	84,742	980,342
Operating transfer in	487,900	117,004	604,904
Net income (loss)	909,315	(39,993)	869,322
Contributed Capital	33,012,951	995,224	34,008,175
Property, plant and equipment:			
Additions	3,702,698	95,968	3,798,666
Deletions	117,637	1,991	119,628
Net working capital	1,946,594	81,606	2,028,200
Total assets	41,644,800	2,656,332	44,301,132
Bonds, capital leases and other long-term liabilities payable from operating revenue	5,495,179	-	5,495,179
Total fund equity	35,087,658	2,563,055	37,650,713

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2002**

**NOTE O - RECLASSIFICATION**

Certain amounts from the 2001 financial statements have been reclassified to conform to current year presentation with no effect on net income.

**NOTE P – DEFICIT FUND BALANCE**

The following fund had a deficit fund balance at June 30, 2002:

DEFICIT FUND BALANCE

Capital Projects:

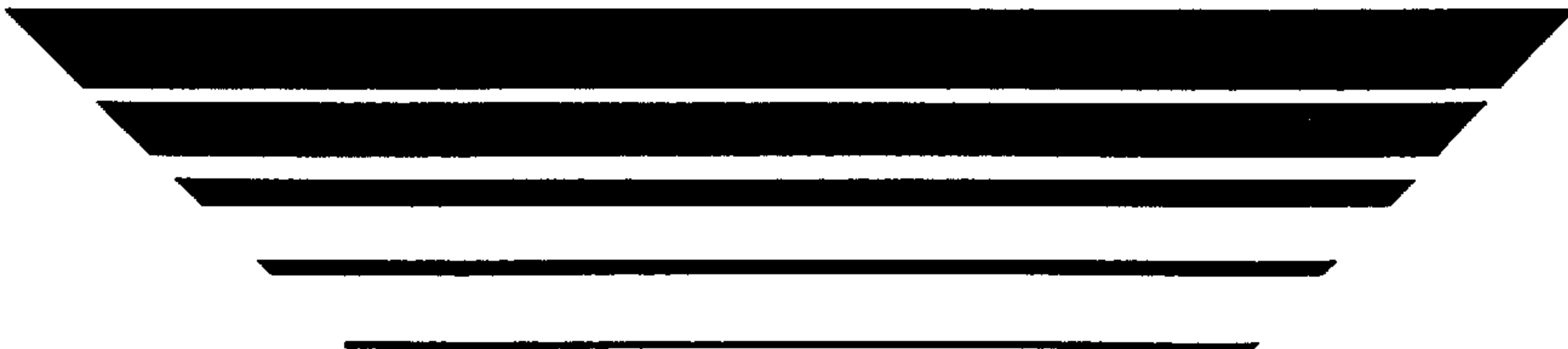
Public Works Improvement Fund	<u>\$480,514</u>
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The deficit in the Capital Projects Fund is the result of a timing difference. Funds totaling \$480,514 were expended in the Public Works Improvement Fund during 2002 and reimbursed by the LCDA loan program (see Note F) through a draw down in the same amount subsequent to fiscal year end.

**NOTE Q - RESTATEMENT**

Other Financing Sources and Fund Balance (Deficit) in the Combining Statement of Revenue, Expenditures and Changes in Fund Balances (Deficits) of the Capital Projects Funds in Fiscal Year 2001 have been reduced by \$243,451 so that proceeds from the LCDA loan and the liability in the General Long-term Debt Account Group are reported consistently.

# General Fund



**The General Fund is used to account for  
resources traditionally associated  
with government which are not  
required legally or by sound  
financial management  
to be accounted  
for in another  
fund.**

**CITY OF SLIDELL, LOUISIANA  
GENERAL FUND  
COMPARATIVE BALANCE SHEETS  
June 30, 2002 and 2001**

	<u>2002</u>	<u>2001</u>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 5,402,065	\$ 3,302,984
Investments	1,347,172	4,773,154
Receivables		
Taxes	398,968	397,053
Accrued interest	1,765	9,496
Other	22,862	21,452
Due from other governments:		
State of Louisiana	24,514	17,223
Local entities	20,312	13,350
Due from other funds:		
Community Development Block Grant	111,414	1,470
Drainage Improvements	-	15,081
Public Works Improvements	313,241	67,666
Airport Fund	60,364	34,411
Inventory	80,512	75,501
Prepaid items	477,445	368,836
<b>Total current assets</b>	<u>8,260,634</u>	<u>9,097,677</u>
<b>Restricted assets</b>		
Cash and cash equivalents	857,628	647,616
Investments	275,000	275,000
<b>Total restricted assets</b>	<u>1,132,628</u>	<u>922,616</u>
<b>Total assets</b>	<u><u>\$ 9,393,262</u></u>	<u><u>\$ 10,020,293</u></u>

(Continued)

**CITY OF SLIDELL, LOUISIANA**  
**GENERAL FUND**  
**COMPARATIVE BALANCE SHEETS (CONTINUED)**  
**June 30, 2002 and 2001**

	<u>2002</u>	<u>2001</u>
Liabilities and fund balance		
Liabilities		
Accounts payable and accrued expenditures	\$ 1,550,137	\$ 1,419,172
Due to other funds:		
Utility	1,916,286	2,215,645
Sales Tax	2,979,275	3,095,167
Drainage Improvements	9,520	-
Street Improvements	-	3,248
City Capital Construction	43,987	13,455
Regional Training Facility	69,436	27,876
Christmas Under the Stars	29,197	40,793
Animal Assistance League of Slidell	27,526	27,168
Debt Service	17,770	138,432
Green	1,153	963
Olde Towne Development	226	226
Total current liabilities	6,644,513	6,982,145
Claims and judgments	1,152,022	1,150,983
Total liabilities	7,796,535	8,133,128
Fund balance		
Reserved for		
Prepaid items	477,445	368,836
Inventory	80,512	75,501
Insurance	275,000	275,000
Unreserved		
Designated for Contingencies	363,000	345,000
Unreserved, undesignated	400,770	822,828
Total fund balance	1,596,727	1,887,165
Total liabilities and fund balance	<u>\$ 9,393,262</u>	<u>\$ 10,020,293</u>

The accompanying notes are an integral part of this statement.

**CITY OF SLIDELL, LOUISIANA**  
**GENERAL FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**Years Ended June 30, 2002 and 2001**

	<u>2002</u>	<u>2001</u>
<b>Revenues</b>		
Taxes:		
Ad valorem	\$ 1,519,601	\$ 1,494,473
Franchise	1,280,329	1,429,457
Licenses and permits	1,647,186	1,674,742
Intergovernmental revenues:		
State revenue sharing	66,218	67,650
Other Federal/State grants	55,347	20,863
Other state and local governmental revenues	100,800	111,948
State supplemental pay	273,045	260,346
Payment in lieu of taxes	470,000	470,000
Fines and forfeitures	194,445	235,957
Other revenues, primarily interest	280,352	586,558
	<u>5,887,323</u>	<u>6,351,994</u>
<b>Total Revenues</b>		
<b>Expenditures</b>		
General government:		
Administrative	451,294	416,971
Finance	465,757	457,258
Legal	280,074	341,463
Data processing	223,861	217,635
Purchasing	233,389	218,074
Civil service	189,603	184,537
Legislative	490,041	448,114
Animal control	263,375	242,905
Risk management	542,984	585,000
	<u>3,140,378</u>	<u>3,111,957</u>
Public works		
Permits	382,686	356,080
Planning	195,187	187,079
	<u>577,873</u>	<u>543,159</u>
Public safety		
Police	5,584,798	5,343,121
Judicial system	233,380	233,428
<b>Total Expenditures</b>	<u>\$ 9,536,429</u>	<u>\$ 9,231,665</u>

(Continued)

**CITY OF SLIDELL, LOUISIANA**  
**GENERAL FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE (CONTINUED)**  
**Years Ended June 30, 2002 and 2001**

	<u>2002</u>	<u>2001</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>\$ (3,649,106)</u>	<u>\$ (2,879,671)</u>
<b>Other Financing Sources (Uses)</b>		
Operating transfers in	3,368,651	2,633,437
Operating transfers out	(27,900)	(27,900)
Proceeds from the sale of fixed assets	<u>17,917</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>3,358,668</u>	<u>2,605,537</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	(290,438)	(274,134)
<b>Fund Balances, Beginning of Year</b>	<u>1,887,165</u>	<u>2,161,299</u>
<b>Fund Balances, End of Year</b>	<u><u>\$ 1,596,727</u></u>	<u><u>\$ 1,887,165</u></u>

The accompanying notes are an integral part of this statement.

**CITY OF SLIDELL, LOUISIANA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**ACTUAL (ADJUSTED TO BUDGETARY BASIS) AND BUDGET**  
**Year Ended June 30, 2002**

	Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Taxes:			
Ad valorem	\$ 1,519,601	\$ 1,522,000	\$ (2,399)
Franchise	1,280,329	1,220,000	60,329
Licenses and permits	1,647,186	1,541,000	106,186
Intergovernmental revenues:			
State revenue sharing	66,218	60,000	6,218
Other Federal/State grants	55,347	13,000	42,347
Other state and local governmental revenues	100,800	100,800	-
Payment in lieu of taxes	470,000	470,000	-
Fines and forfeitures	194,445	200,000	(5,555)
Other revenue, primarily interest	280,352	325,000	(44,648)
<b>Total Revenues</b>	<u>5,614,278</u>	<u>5,451,800</u>	<u>162,478</u>
<b>Expenditures</b>			
General government:			
Administrative	451,294	453,379	2,085
Finance	465,757	496,536	30,779
Legal	280,074	355,617	75,543
Data processing	223,861	229,428	5,567
Purchasing	233,389	235,114	1,725
Civil service	189,603	191,124	1,521
Legislative	490,041	492,701	2,660
Animal control	263,375	264,388	1,013
Risk management	542,984	554,484	11,500
	<u>3,140,378</u>	<u>3,272,771</u>	<u>132,393</u>
Public works			
Permits	382,686	386,913	4,227
Planning	195,187	197,551	2,364
	<u>577,873</u>	<u>584,464</u>	<u>6,591</u>
Public safety			
Police	<u>5,311,753</u>	<u>5,494,635</u>	<u>182,882</u>
Judicial system	<u>233,380</u>	<u>263,509</u>	<u>30,129</u>
<b>Total Expenditures</b>	<u>\$ 9,263,384</u>	<u>\$ 9,615,379</u>	<u>\$ 351,995</u>

(Continued)



**CITY OF SLIDELL, LOUISIANA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (CONTINUED)**  
**ACTUAL (ADJUSTED TO BUDGETARY BASIS) AND BUDGET**  
**Year Ended June 30, 2002**

	Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>\$ (3,649,106)</u>	<u>\$(4,163,579)</u>	<u>\$ 514,473</u>
<b>Other Financing Sources (Uses)</b>			
Operating transfers in	3,368,651	3,368,651	-
Operating transfers out	(27,900)	(27,900)	-
Proceeds from the sale of fixed assets	<u>17,917</u>	<u>-</u>	<u>17,917</u>
<b>Total Other Financing Sources (Uses)</b>	<u>3,358,668</u>	<u>3,340,751</u>	<u>17,917</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	(290,438)	(822,828)	532,390
<b>Fund Balances, Beginning of Year</b>	<u>1,887,165</u>	<u>1,887,165</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u><u>\$ 1,596,727</u></u>	<u><u>\$ 1,064,337</u></u>	<u><u>\$ 532,390</u></u>

The accompanying notes are an integral part of this statement.

# Special Revenue Funds



**Special Revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.**

**The city maintains the following Special Revenue Funds:**

Sales Tax  
Community Development  
Block Grant  
Regional Training Facility

**CITY OF SLIDELL, LOUISIANA**  
**SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2002 (With Comparative Totals for June 30, 2001)**

	Regional Training Facility	Sales Tax	Community Development Block Grant	Total	
				2002	2001
<b>Assets</b>					
Current assets					
Investments	\$ -	\$ 1,135,741	\$ -	\$ 1,135,741	\$ 1,091,056
Receivables - Taxes	-	1,377,548	-	1,377,548	1,502,181
Accrued Interest Receivable	-	-	-	-	133,078
Other Receivables	-	2,566	-	2,566	2,286
Due from other governments:					
U.S. Government	-	4,608	223,318	227,926	146,590
State of Louisiana	-	12,304	-	12,304	16,646
Local entities	4,700	19,688	-	24,388	14,752
Due from General Fund	69,436	2,979,275	-	3,048,711	3,123,043
Due from Sales Tax Fund	-	-	-	-	-
Inventory	-	26,142	-	26,142	30,142
Total current assets	74,136	5,557,872	223,318	5,855,326	6,059,774
Restricted assets					
Cash and cash equivalents	-	649,742	-	649,742	625,535
Investments	-	2,241,392	-	2,241,392	2,254,577
Total restricted assets	-	2,891,134	-	2,891,134	2,880,112
Total assets	\$ 74,136	\$ 8,449,006	\$ 223,318	\$ 8,746,460	\$ 8,939,886
<b>Liabilities and fund balance</b>					
Liabilities					
Accounts payable and accrued expenditures	\$ 2,760	\$ 1,280,256	\$ 111,904	\$ 1,394,920	\$ 1,450,519
Due to General Fund	-	-	111,414	111,414	1,469
Total liabilities	2,760	1,280,256	223,318	1,506,334	1,451,988
Fund balance					
Reserved for:					
Inventory	-	26,142	-	26,142	30,142
Capital outlay	-	12,122	-	12,122	52,983
Bond reserve fund	-	2,241,392	-	2,241,392	2,254,577
Bond sinking fund	-	649,742	-	649,742	625,534
Unreserved					
Designated for					
Capital outlay	-	1,650,163	-	1,650,163	2,325,100
Operating reserves	-	150,000	-	150,000	150,000
Contingencies	-	1,171,000	-	1,171,000	1,115,000
Training academy	71,376	-	-	71,376	23,450
Unreserved, undesignated	-	1,268,189	-	1,268,189	911,112
Total fund balance	71,376	7,168,750	-	7,240,126	7,487,898
Total liabilities and fund balance	\$ 74,136	\$ 8,449,006	\$ 223,318	\$ 8,746,460	\$ 8,939,886

The accompanying notes are an integral part of this statement.

**CITY OF SLIDELL, LOUISIANA**  
**SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**Year Ended June 30, 2002 (With Comparative Totals for June 30, 2001)**

	Regional Training Facility	Sales Tax	Community Development Block Grant	Total	
				2002	2001
<b>Revenues</b>					
<b>Taxes</b>					
Ad valorem	\$ -	\$ 319,233	\$ -	\$ 319,233	\$ 313,902
Sales and use	-	15,773,809	-	15,773,809	15,227,530
<b>Intergovernmental revenues</b>					
Federal/state grants	1,150	1,522,643	-	1,523,793	1,286,785
HUD grants	-	-	399,396	399,396	37,708
Other state and local revenues	-	207,932	-	207,932	-
Other revenues, primarily interest and tuition	93,149	117,379	-	210,528	513,720
<b>Total revenues</b>	<u>94,299</u>	<u>17,940,996</u>	<u>399,396</u>	<u>18,434,691</u>	<u>17,379,645</u>
<b>Expenditures</b>					
<b>General government</b>					
Administrative	245,912	1,386,764	1,980	1,634,656	1,602,936
Arts Council	-	163,626	-	163,626	155,244
Public information	-	20,797	-	20,797	19,766
	<u>245,912</u>	<u>1,571,187</u>	<u>1,980</u>	<u>1,819,079</u>	<u>1,777,946</u>
<b>Public works</b>					
Streets, bridges and drainage	-	2,001,429	-	2,001,429	1,688,642
Engineering	-	352,680	-	352,680	336,102
Electrical	-	203,863	-	203,863	204,053
General maintenance	-	280,906	-	280,906	261,131
Vehicle maintenance	-	375,311	-	375,311	455,272
	<u>-</u>	<u>3,214,189</u>	<u>-</u>	<u>3,214,189</u>	<u>2,945,200</u>
<b>Parks and recreation</b>	-	868,837	-	868,837	1,119,537
<b>Capital outlay</b>	-	5,530,490	397,416	5,927,906	6,601,438
<b>Capital lease:</b>					
Principle	-	61,476	-	61,476	57,645
Interest	-	8,440	-	8,440	12,271
<b>Total expenditures</b>	<u>245,912</u>	<u>11,254,619</u>	<u>399,396</u>	<u>11,899,927</u>	<u>12,514,037</u>
<b>Excess (Deficiency) of revenues over   expenditures</b>	<u>(151,613)</u>	<u>6,686,377</u>	<u>-</u>	<u>6,534,764</u>	<u>4,865,608</u>
<b>Other financing sources (uses)</b>					
Operating transfers in	199,539	-	-	199,539	178,788
Operating transfers out	-	(6,982,075)	-	(6,982,075)	(5,719,370)
<b>Total other financing sources (uses)</b>	<u>199,539</u>	<u>(6,982,075)</u>	<u>-</u>	<u>(6,782,536)</u>	<u>(5,540,582)</u>
<b>Excess (Deficiency) of revenues   and other sources over   expenditures and other   financing sources (uses)</b>	<u>47,926</u>	<u>(295,698)</u>	<u>-</u>	<u>(247,772)</u>	<u>(674,974)</u>
<b>Fund balances, beginning of year</b>	<u>23,450</u>	<u>7,464,448</u>	<u>-</u>	<u>7,487,898</u>	<u>8,162,872</u>
<b>Fund balances, end of year</b>	<u>\$ 71,376</u>	<u>\$ 7,168,750</u>	<u>\$ -</u>	<u>\$ 7,240,126</u>	<u>\$ 7,487,898</u>

The accompanying notes are an integral part of this statement.

**CITY OF SLIDELL, LOUISIANA**  
**SPECIAL REVENUE FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**ACTUAL (ADJUSTED TO BUDGETARY BASIS) AND BUDGET**  
**Year Ended June 30, 2002**

	Regional Training Facility			Sales Tax Fund		
	Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)	Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)
<b>Revenues</b>						
<b>Taxes</b>						
Sales and use	\$ -	\$ -	\$ -	\$ 15,773,809	\$ 14,600,000	\$ 1,173,809
Ad valorem	-	-	-	319,233	320,000	(767)
<b>Intergovernmental revenues</b>						
Federal/state grants	1,150	-	1,150	1,522,643	3,381,493	(1,858,850)
HUD grants	-	-	-	-	-	-
Other state and local revenues	-	-	-	207,932	-	207,932
Other revenues, primarily interest and tuition	93,149	70,500	22,649	117,379	215,000	(97,621)
<b>Total revenues</b>	<u>94,299</u>	<u>70,500</u>	<u>23,799</u>	<u>17,940,996</u>	<u>18,516,493</u>	<u>(575,497)</u>
<b>Expenditures</b>						
<b>General government</b>						
Administrative	245,912	270,039	24,127	1,386,764	1,412,495	25,731
Arts Council	-	-	-	163,626	164,178	552
Public information	-	-	-	20,797	21,250	453
	<u>245,912</u>	<u>270,039</u>	<u>24,127</u>	<u>1,571,187</u>	<u>1,597,923</u>	<u>26,736</u>
<b>Public works</b>						
Streets, bridges and drainage	-	-	-	2,001,429	2,043,389	41,960
Engineering	-	-	-	352,680	383,597	30,917
Electrical	-	-	-	203,863	229,683	25,820
General maintenance	-	-	-	280,906	294,130	13,224
Vehicle maintenance	-	-	-	375,311	387,794	12,483
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,214,189</u>	<u>3,338,593</u>	<u>124,404</u>
<b>Parks and recreation</b>						
Capital outlay	-	-	-	868,837	889,183	20,346
	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,600,406</u>	<u>8,977,021</u>	<u>3,376,615</u>
<b>Total expenditures</b>	<u>245,912</u>	<u>270,039</u>	<u>24,127</u>	<u>11,254,619</u>	<u>14,802,720</u>	<u>3,548,101</u>
<b>Excess (Deficiency) of revenues over expenditures</b>	<u>(151,613)</u>	<u>(199,539)</u>	<u>47,926</u>	<u>6,686,377</u>	<u>3,713,773</u>	<u>2,972,604</u>
<b>Other financing sources (uses)</b>						
Operating transfers in	199,539	199,539	-	-	-	-
Operating transfers out	-	-	-	(6,982,075)	(7,120,036)	137,961
<b>Total other financing sources (uses)</b>	<u>199,539</u>	<u>199,539</u>	<u>-</u>	<u>(6,982,075)</u>	<u>(7,120,036)</u>	<u>137,961</u>
<b>Excess (Deficiency) of revenues and other sources over expenditures and other financing sources (uses)</b>	<u>47,926</u>	<u>-</u>	<u>47,926</u>	<u>(295,698)</u>	<u>(3,406,263)</u>	<u>3,110,565</u>
<b>Fund balances, beginning of year</b>	<u>23,450</u>	<u>23,450</u>	<u>-</u>	<u>7,464,448</u>	<u>7,464,448</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 71,376</u>	<u>\$ 23,450</u>	<u>\$ 47,926</u>	<u>\$ 7,168,750</u>	<u>\$ 4,058,185</u>	<u>\$ 3,110,565</u>

(Continued)

Community Development Block Grant Fund			Total		
Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)	Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 15,773,809	\$ 14,600,000	\$ 1,173,809
-	-	-	319,233	320,000	(767)
-	-	-	1,523,793	3,381,493	(1,857,700)
399,396	476,290	(76,894)	399,396	476,290	(76,894)
-	-	-	207,932	-	207,932
-	-	-	210,528	285,500	(74,972)
399,396	476,290	(76,894)	18,434,691	19,063,283	(628,592)
1,980	37,538	35,558	1,634,656	1,720,072	85,416
-	-	-	163,626	164,178	552
-	-	-	20,797	21,250	453
1,980	37,538	35,558	1,819,079	1,905,500	86,421
-	-	-	2,001,429	2,043,389	41,960
-	-	-	352,680	383,597	30,917
-	-	-	203,863	229,683	25,820
-	-	-	280,906	294,130	13,224
-	-	-	375,311	387,794	12,483
-	-	-	3,214,189	3,338,593	124,404
-	-	-	868,837	889,183	20,346
397,416	438,752	41,336	5,997,822	9,415,773	3,417,951
399,396	476,290	76,894	11,899,927	15,549,049	3,649,122
-	-	-	6,534,764	3,514,234	3,020,530
-	-	-	199,539	199,539	-
-	-	-	(6,982,075)	(7,120,036)	137,961
-	-	-	(6,782,536)	(6,920,497)	137,961
-	-	-	(247,772)	(3,406,263)	3,158,491
-	-	-	7,487,898	7,487,898	-
\$ -	\$ -	\$ -	\$ 7,240,126	\$ 4,081,635	\$ 3,158,491

The accompanying notes are an integral part of this statement.

# Debt Service Fund



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**The Debt Service Fund is used to accumulate monies for the payment of bond and certificate of indebtedness issues, other than bonds secured by the operation of the Utility Fund.**

**The bond issues and the certificates of indebtedness are financed by ad valorem, sales tax and special assessment levies.**

**CITY OF SLIDELL, LOUISIANA**  
**DEBT SERVICE FUNDS**  
**COMPARATIVE BALANCE SHEETS**  
**June 30, 2002 and 2001**

	<u>2002</u>	<u>2001</u>
Assets		
Investments	\$ 1,126,543	\$ 1,001,646
Receivables:		
Accrued Interest	-	1,387
Due from General Fund	<u>17,770</u>	<u>138,432</u>
Total assets	<u>\$ 1,144,313</u>	<u>\$ 1,141,465</u>
Liabilities and fund balance		
Liabilities		
Accounts payable	<u>\$ -</u>	<u>\$ 885</u>
Total liabilities	<u>-</u>	<u>885</u>
Fund balance		
Reserved for general obligation bond debt service	<u>1,144,313</u>	<u>1,140,580</u>
Total fund balance	<u>1,144,313</u>	<u>1,140,580</u>
Total liabilities and fund balance	<u>\$ 1,144,313</u>	<u>\$ 1,141,465</u>

The accompanying notes are an integral part of this statement.



**CITY OF SLIDELL, LOUISIANA**  
**DEBT SERVICE FUNDS**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**Years Ended June 30, 2002 and 2001**

	<u>2002</u>	<u>2001</u>
Revenues		
Ad valorem taxes	\$ 1,358,687	\$ 1,355,504
Interest income	<u>25,042</u>	<u>62,297</u>
Total revenues	<u>1,383,729</u>	<u>1,417,801</u>
Expenditures		
Debt service		
Financial and administrative	19,290	21,282
Principal retirement	2,534,500	2,396,500
Interest	<u>1,663,087</u>	<u>1,758,757</u>
Total expenditures	<u>4,216,877</u>	<u>4,176,539</u>
Excess (Deficiency) of revenues over expenditures	<u>(2,833,148)</u>	<u>(2,758,738)</u>
Other financing sources		
Operating transfers in	<u>2,836,881</u>	<u>2,782,215</u>
Total other financing sources	<u>2,836,881</u>	<u>2,782,215</u>
Excess (Deficiency) of revenues and other sources over expenditures and other uses	3,733	23,477
Fund balances, beginning of year	<u>1,140,580</u>	<u>1,117,103</u>
Fund balances, end of year	<u><u>\$ 1,144,313</u></u>	<u><u>\$ 1,140,580</u></u>

The accompanying notes are an integral part of this statement.

# Capital Projects Funds



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**Capital Projects Funds account for the purchase,  
construction and renovation of the city's  
major capital facilities.**

**Resources are derived principally from  
proceeds of general obligation or  
sales tax bonds, U.S. Govern-  
ment grants and other  
agencies.**

**The city maintains  
the following  
Capital Project  
Funds:**

**Water Improvements  
Public Work Improvements  
Sewerage Improvements  
City Capital Construction  
Drainage Improvements  
Street Improvements**

**CITY OF SLIDELL, LOUISIANA  
CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
June 30, 2002 (With Comparative Totals for June 30, 2001)**

	<u>Public Works Improvement</u>	<u>City Capital Construction</u>
<b>Assets</b>		
Cash and cash equivalents	\$ -	\$ -
Investments	-	-
Accrued interest receivable	-	-
Due from State of Louisiana	-	41,031
Due from General Fund	-	43,987
Other Receivable	-	-
	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u><u>\$ -</u></u>	<u><u>\$ 85,018</u></u>
<b>Liabilities and fund balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 167,273	\$ 74,535
Due to General Fund	313,241	-
	<u>480,514</u>	<u>-</u>
<b>Total liabilities</b>	<u>480,514</u>	<u>74,535</u>
<b>Fund balance (deficit)</b>		
<b>Unreserved:</b>		
Designated for capital outlay	-	10,483
Unreserved, undesignated	(480,514)	-
<b>Total fund balance (deficit)</b>	<u>(480,514)</u>	<u>10,483</u>
<b>Total liabilities and fund balance</b>	<u><u>\$ -</u></u>	<u><u>\$ 85,018</u></u>

(Continued)

Drainage Improvements	Street Improvements	Total	
		2002	2001
\$ 157,065	\$ -	\$ 157,065	\$ -
-	-	-	646,860
-	-	-	4,269
-	-	41,031	241,298
9,520	-	53,507	16,701
-	-	-	-
<u>\$ 166,585</u>	<u>\$ -</u>	<u>\$ 251,603</u>	<u>\$ 909,128</u>
\$ 5,978	\$ -	\$ 247,786	\$ 300,711
-	-	313,241	82,746
<u>5,978</u>	<u>-</u>	<u>561,027</u>	<u>383,457</u>
160,607	-	171,090	769,122
-	-	(480,514)	(243,451)
<u>160,607</u>	<u>-</u>	<u>(309,424)</u>	<u>525,671</u>
<u>\$ 166,585</u>	<u>\$ -</u>	<u>\$ 251,603</u>	<u>\$ 909,128</u>

**CITY OF SLIDELL, LOUISIANA**  
**CAPITAL PROJECTS FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)**  
**Year Ended June 30, 2002 (With Comparative Totals for June 30, 2001)**

	<u>Public Works Improvement</u>	<u>City Capital Construction</u>
Revenues		
Intergovernmental revenues		
Federal/state grants	\$ -	\$ 225,632
Other revenues, primarily interest	-	344
	<u>-</u>	<u>225,976</u>
Total revenues		
Expenditures		
Capital outlay	<u>2,887,063</u>	<u>258,452</u>
Total expenditures	<u>2,887,063</u>	<u>258,452</u>
Excess (Deficiency) of revenues over expenditures	<u>(2,887,063)</u>	<u>(32,476)</u>
Other financing sources (uses)		
Loan proceeds	<u>2,650,000</u>	-
Total other financing sources (uses)	<u>2,650,000</u>	-
Excess (Deficiency) of revenues and other sources over expenditures and other uses	<u>(237,063)</u>	<u>(32,476)</u>
Fund balances (deficit), beginning of year, as restated	<u>(243,451)</u>	<u>42,959</u>
Fund balances (deficit), end of year	<u>\$ (480,514)</u>	<u>\$ 10,483</u>

(Continued)

Drainage Improvements	Street Improvements	Total	
		2002	2001
\$ 420,580	\$ -	\$ 646,212	\$ 292,352
9,578	-	9,922	89,186
<u>430,158</u>	<u>-</u>	<u>656,134</u>	<u>381,538</u>
<u>992,466</u>	<u>3,248</u>	<u>4,141,229</u>	<u>3,096,037</u>
<u>992,466</u>	<u>3,248</u>	<u>4,141,229</u>	<u>3,096,037</u>
<u>(562,308)</u>	<u>(3,248)</u>	<u>(3,485,095)</u>	<u>(2,714,499)</u>
<u>-</u>	<u>-</u>	<u>2,650,000</u>	<u>1,400,000</u>
<u>-</u>	<u>-</u>	<u>2,650,000</u>	<u>1,400,000</u>
<u>(562,308)</u>	<u>(3,248)</u>	<u>(835,095)</u>	<u>(1,314,449)</u>
<u>722,915</u>	<u>3,248</u>	<u>525,671</u>	<u>1,840,170</u>
<u>\$ 160,607</u>	<u>\$ -</u>	<u>\$ (309,424)</u>	<u>\$ 525,671</u>

The accompanying notes are an integral part of this statement

**CITY OF SLIDELL, LOUISIANA  
CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET**

**June 30, 2002 (With Comparative Totals for June 30, 2001)**

	<u>Public Works Improvement</u>	<u>City Capital Construction</u>
<b>Assets</b>		
Cash and cash equivalents	\$ -	\$ -
Investments	-	-
Accrued interest receivable	-	-
Due from State of Louisiana	-	41,031
Due from General Fund	-	43,987
Other Receivable	-	-
	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 85,018</u>
<b>Liabilities and fund balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 167,273	\$ 74,535
Due to General Fund	313,241	-
	<u>480,514</u>	<u>-</u>
<b>Total liabilities</b>	<u>480,514</u>	<u>74,535</u>
<b>Fund balance (deficit)</b>		
Unreserved:		
Designated for capital outlay	-	10,483
Unreserved, undesignated	(480,514)	-
<b>Total fund balance (deficit)</b>	<u>(480,514)</u>	<u>10,483</u>
<b>Total liabilities and fund balance</b>	<u>\$ -</u>	<u>\$ 85,018</u>

(Continued)



Drainage Improvements	Street Improvements	Total	
		2002	2001
\$ 157,065	\$ -	\$ 157,065	\$ -
-	-	-	646,860
-	-	-	4,269
-	-	41,031	241,298
9,520	-	53,507	16,701
-	-	-	-
<u>\$ 166,585</u>	<u>\$ -</u>	<u>\$ 251,603</u>	<u>\$ 909,128</u>
\$ 5,978	\$ -	\$ 247,786	\$ 300,711
-	-	313,241	82,746
<u>5,978</u>	<u>-</u>	<u>561,027</u>	<u>383,457</u>
160,607	-	171,090	769,122
-	-	(480,514)	(243,451)
<u>160,607</u>	<u>-</u>	<u>(309,424)</u>	<u>525,671</u>
<u>\$ 166,585</u>	<u>\$ -</u>	<u>\$ 251,603</u>	<u>\$ 909,128</u>

**CITY OF SLIDELL, LOUISIANA**  
**CAPITAL PROJECTS FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)**  
**Year Ended June 30, 2002 (With Comparative Totals for June 30, 2001)**

	Public Works <u>Improvement</u>	City Capital <u>Construction</u>
Revenues		
Intergovernmental revenues		
Federal/state grants	\$ -	\$ 225,632
Other revenues, primarily interest	-	344
	<u>-</u>	<u>225,976</u>
Total revenues	-	225,976
Expenditures		
Capital outlay	2,887,063	258,452
	<u>2,887,063</u>	<u>258,452</u>
Total expenditures	2,887,063	258,452
Excess (Deficiency) of revenues over expenditures	<u>(2,887,063)</u>	<u>(32,476)</u>
Other financing sources (uses)		
Loan proceeds	2,650,000	-
Total other financing sources (uses)	<u>2,650,000</u>	<u>-</u>
Excess (Deficiency) of revenues and other sources over expenditures and other uses	<u>(237,063)</u>	<u>(32,476)</u>
Fund balances (deficit), beginning of year, as restated	<u>(243,451)</u>	<u>42,959</u>
Fund balances (deficit), end of year	<u>\$ (480,514)</u>	<u>\$ 10,483</u>

(Continued)

Drainage Improvements	Street Improvements	Total	
		2002	2001
\$ 420,580	\$ -	\$ 646,212	\$ 292,352
9,578	-	9,922	89,186
<u>430,158</u>	<u>-</u>	<u>656,134</u>	<u>381,538</u>
992,466	3,248	4,141,229	3,096,037
<u>992,466</u>	<u>3,248</u>	<u>4,141,229</u>	<u>3,096,037</u>
<u>(562,308)</u>	<u>(3,248)</u>	<u>(3,485,095)</u>	<u>(2,714,499)</u>
-	-	2,650,000	1,400,000
-	-	<u>2,650,000</u>	<u>1,400,000</u>
<u>(562,308)</u>	<u>(3,248)</u>	<u>(835,095)</u>	<u>(1,314,449)</u>
<u>722,915</u>	<u>3,248</u>	<u>525,671</u>	<u>1,840,170</u>
<u>\$ 160,607</u>	<u>\$ -</u>	<u>\$ (309,424)</u>	<u>\$ 525,671</u>

The accompanying notes are an integral part of this statement

# Enterprise Funds



**These proprietary funds are used to account  
for operations of the city which are  
financed and operated in a manner  
similar to private business  
enterprises.**

**The city operates  
the following  
enterprises:**

**Utility Fund  
Airport Fund**

**CITY OF SLIDELL, LOUISIANA**  
**ENTERPRISE FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2002 (With Comparative Totals for June 30, 2001)**

	Utilities	Airport	Total	
			2002	2001
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 202,683	\$ -	\$ 202,683	\$ 175,826
Accounts receivable, net of allowances for doubtful accounts of \$123,077 in 2002 and \$96,022 in 2001	701,670	-	701,670	639,167
Unbilled receivable	271,079	-	271,079	207,211
Other receivables	45	5,630	5,675	5,300
Due from U.S. Government	-	79,493	79,493	211,850
Due from State of Louisiana	-	87,804	87,804	75,950
Due from General Fund	1,916,286	-	1,916,286	2,215,645
Inventory	237,047	-	237,047	253,684
Prepaid expenses	-	1,956	1,956	2,935
<b>Total current assets</b>	<b>3,328,810</b>	<b>174,883</b>	<b>3,503,693</b>	<b>3,787,568</b>
<b>Restricted assets</b>				
Cash and cash equivalents	131,865	-	131,865	135,505
Investments	901,693	-	901,693	1,126,154
<b>Total restricted assets</b>	<b>1,033,558</b>	<b>-</b>	<b>1,033,558</b>	<b>1,261,659</b>
<b>Property, plant &amp; equipment</b>				
Land and land improvements	75,559	4,272,279	4,347,838	2,807,911
Building and improvements	159,807	12,878	172,685	159,807
Water system	19,613,370	-	19,613,370	18,226,475
Sewerage system	33,025,904	-	33,025,904	30,865,948
Equipment	2,917,495	68,740	2,986,235	2,687,244
Construction in progress	940,723	37,260	977,983	2,697,592
<b>Total property, plant &amp; equipment</b>	<b>56,732,858</b>	<b>4,391,157</b>	<b>61,124,015</b>	<b>57,444,977</b>
Less: accumulated depreciation	(19,559,137)	(1,909,708)	(21,468,845)	(19,886,456)
<b>Net property, plant &amp; equipment</b>	<b>37,173,721</b>	<b>2,481,449</b>	<b>39,655,170</b>	<b>37,558,521</b>
<b>Other assets</b>				
Other assets	108,711	-	108,711	116,229
<b>Total assets</b>	<b>\$ 41,644,800</b>	<b>\$ 2,656,332</b>	<b>\$ 44,301,132</b>	<b>\$ 42,723,977</b>

(continued)

**CITY OF SLIDELL, LOUISIANA**  
**ENTERPRISE FUNDS**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**June 30, 2002 (With Comparative Totals for June 30, 2001)**

	Utilities	Airport	Total	
			2002	2001
Liabilities and fund equity				
Liabilities				
Current liabilities payable from current assets				
Accounts, salaries payable and accrued expenses	\$ 698,953	\$ 32,913	\$ 731,866	\$ 840,326
Customer deposits	363,010	-	363,010	351,151
Due to general fund	-	60,364	60,364	34,411
Revenue bonds payable, current	105,000	-	105,000	100,000
DEQ revolving loan, current	165,000	-	165,000	160,000
Equipment lease, current	50,253	-	50,253	47,661
Total current liabilities (including approximately \$363,000 and \$351,000 payable from restricted assets in 2002 and 2001)	<u>1,382,216</u>	<u>93,277</u>	<u>1,475,493</u>	<u>1,533,549</u>
Long-term liabilities				
Revenue bonds payable, net of current portion (including approximately \$215,000 payable from restricted assets in 2002 and 2001)	1,940,000	-	1,940,000	2,045,000
DEQ revolving loan, net of current portion (including approximately \$298,000 payable from restricted assets in 2002 and 2001)	3,140,000	-	3,140,000	3,305,000
Equipment lease, net of current portion	<u>94,926</u>	<u>-</u>	<u>94,926</u>	<u>145,180</u>
Total long-term liabilities	<u>5,174,926</u>	<u>-</u>	<u>5,174,926</u>	<u>5,495,180</u>
Total liabilities	<u>6,557,142</u>	<u>93,277</u>	<u>6,650,419</u>	<u>7,028,729</u>
Fund equity				
Contributed capital	33,012,951	995,224	34,008,175	33,309,996
Retained earnings				
Unreserved	2,074,707	1,567,831	3,642,538	2,385,252
Total fund equity	<u>35,087,658</u>	<u>2,563,055</u>	<u>37,650,713</u>	<u>35,695,248</u>
Total liabilities and fund equity	<u>\$ 41,644,800</u>	<u>\$ 2,656,332</u>	<u>\$ 44,301,132</u>	<u>\$ 42,723,977</u>

The accompanying notes are an integral part of this statement.

**CITY OF SLIDELL, LOUISIANA**  
**ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN RETAINED EARNINGS**  
**Year Ended June 30, 2002 (With Comparative Totals for June 30, 2001)**

	Utilities	Airport	Total	
			2002	2001
Operating Revenues				
Water revenues	\$ 2,196,627	\$ -	\$ 2,196,627	\$ 2,038,322
Sewerage revenues	2,776,599	-	2,776,599	2,505,087
Solid waste disposal revenues	935,284	-	935,284	871,972
Ad valorem taxes assessed for sewerage maintenance	648,848	-	648,848	638,015
Ad valorem taxes assessed for garbage service	648,848	-	648,848	638,015
Connection charges	225,060	-	225,060	166,298
Tie down and rental revenues	-	38,998	38,998	33,575
Penalties	123,248	-	123,248	101,391
Total operating revenues	<u>7,554,514</u>	<u>38,998</u>	<u>7,593,512</u>	<u>6,992,675</u>
Operating expenses				
Salaries, wages and related benefits	2,336,591	81,804	2,418,395	2,181,763
Solid waste disposal	1,731,860	-	1,731,860	1,708,667
Repairs and maintenance	860,833	19,228	880,061	442,648
Materials and supplies	246,695	2,352	249,047	195,299
Utilities	393,569	10,407	403,976	451,755
Gas and oil	43,903	907	44,810	47,230
Insurance	54,000	3,400	57,400	57,400
Office expense	33,891	2,797	36,688	33,773
Certification and training	6,599	3,577	10,176	12,682
Other	43,506	8,016	51,522	115,868
Payment in lieu of taxes	470,000	-	470,000	470,000
Bad debt expense	15,603	-	15,603	11,917
Total operating expenses before depreciation	<u>6,237,050</u>	<u>132,488</u>	<u>6,369,538</u>	<u>5,729,002</u>
Operating income (loss) before depreciation	1,317,464	(93,490)	1,223,974	1,263,673
Depreciation	<u>1,561,245</u>	<u>128,390</u>	<u>1,689,635</u>	<u>1,668,808</u>
Operating (loss)	<u>(243,781)</u>	<u>(221,880)</u>	<u>(465,661)</u>	<u>(405,135)</u>
Non-operating revenue (expense)				
Other income, primarily interest	36,047	-	36,047	191,488
Grant revenue	-	8,500	8,500	24,550
Interest and fiscal charges	(258,933)	-	(258,933)	(257,602)
Other expenses	(7,518)	(28,359)	(35,877)	(7,570)
Net non-operating income (expense)	<u>\$ (230,404)</u>	<u>\$ (19,859)</u>	<u>\$ (250,263)</u>	<u>\$ (49,134)</u>

(Continued)



**CITY OF SLIDELL, LOUISIANA**  
**ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN RETAINED EARNINGS (CONTINUED)**  
**Year Ended June 30, 2002 (With Comparative Totals for June 30, 2001)**

	Utilities	Airport	Total	
			2002	2001
Net loss before contributions and operating transfers	\$ (474,185)	\$ (241,739)	\$ (715,924)	\$ (454,269)
Capital contributions	895,600	84,742	980,342	1,523,055
Operating transfers in				
Operating transfers in	<u>487,900</u>	<u>117,004</u>	<u>604,904</u>	<u>152,830</u>
Net income (loss)	909,315	(39,993)	869,322	1,221,616
Depreciation on assets acquired with externally restricted capital contributions which reduces contributed capital	306,856	81,108	387,964	491,233
Retained earnings, beginning of year	858,536	1,526,716	2,385,252	672,403
Retained earnings, end of year	<u>\$ 2,074,707</u>	<u>\$ 1,567,831</u>	<u>\$ 3,642,538</u>	<u>\$ 2,385,252</u>

The accompanying notes are an integral part of this statement.

**CITY OF SLIDELL, LOUISIANA**  
**ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**Year Ended June 30, 2002 (With Comparative Totals for June 30, 2001)**

	Utilities	Airport	Total	
			2002	2001
<b>Cash flows from operating activities</b>				
Receipts from operations	\$ 6,132,955	\$ 35,697	\$ 6,168,652	\$ 5,737,232
Payments for goods and services	(2,933,712)	(25,284)	(2,958,996)	(2,603,115)
Payments for employee services	(2,249,910)	(81,804)	(2,331,714)	(2,230,071)
Payments in lieu of taxes	(470,000)	-	(470,000)	(470,000)
Payments for direct and indirect costs	(497,674)	(25,400)	(523,074)	(636,727)
Other operating income	1,297,696	-	1,297,696	1,276,030
Net cash provided by (used in) operating activities	1,279,355	(96,791)	1,182,564	1,073,349
<b>Cash flows from noncapital financing activities</b>				
Operating transfers in, net	487,900	117,004	604,904	152,830
Interfund Loan	299,359	25,953	325,312	553,897
Proceeds from federal grant	-	8,500	8,500	24,550
Payments for study	-	(27,363)	(27,363)	-
Net cash provided (used in) by noncapital financing activities	787,259	124,094	911,353	731,277
<b>Cash flows from capital and related financing activities</b>				
Retirement of long term debt	(310,343)	-	(310,343)	(298,407)
Capital contributed by others	97,600	202,898	300,498	634,597
Acquisition and construction of capital assets	(1,840,936)	(230,201)	(2,071,137)	(2,594,253)
Proceeds from sale of capital assets	9,646	-	9,646	17,608
Interest paid on debt	(261,614)	-	(261,614)	(259,044)
Proceeds from DEQ loan	-	-	-	105,472
Net cash provided by (used in) capital and related financing activities	(2,305,647)	(27,303)	(2,332,950)	(2,394,027)
<b>Cash flows from investing activities</b>				
Purchase of investments	(2,551,767)	-	(2,551,767)	(4,949,223)
Proceeds from maturities and sale of investments	2,799,505	-	2,799,505	5,459,000
Proceeds from interest income	14,512	-	14,512	104,998
Net cash provided by (used in) investing activities	\$ 262,250	\$ -	\$ 262,250	\$ 614,775

(Continued)

**CITY OF SLIDELL, LOUISIANA**  
**ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS (CONTINUED)**  
**Year Ended June 30, 2002 (With Comparative Totals for June 30, 2001)**

	Utility	Airport	Total	
			2002	2001
Net increase (decrease) in cash	\$ 23,217	\$ -	\$ 23,217	\$ 25,374
Cash and cash equivalents, beginning of year	311,331	-	311,331	285,957
Cash and cash equivalents, end of year	<u>\$ 334,548</u>	<u>\$ -</u>	<u>\$ 334,548</u>	<u>\$ 311,331</u>
Reconciliation of operating loss to net cash provided by operating activities:				
Operating income (loss)	\$ (243,781)	\$ (221,880)	\$ (465,661)	\$ (405,135)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	1,561,245	128,390	1,689,635	1,668,808
Bad debt expense	15,603	-	15,603	11,917
Change in asset and liabilities:				
(Increase) decrease in accounts receivable or other assets	(135,722)	(3,301)	(139,023)	6,504
(Increase) decrease in inventory	16,637	-	16,637	(15,911)
Increase (decrease) in accounts payable	65,373	-	65,373	(192,834)
Net cash provided (used in) by operating activities	<u>\$ 1,279,355</u>	<u>\$ (96,791)</u>	<u>\$ 1,182,564</u>	<u>\$ 1,073,349</u>
Noncash investing, capital, and financing activities:				
Borrowing under capital lease	\$ -	\$ -	\$ -	\$ 199,000
Change in the fair market value of investments	23,277	-	23,277	73,062
Contributions of fixed assets from government	1,086,143	-	1,086,143	173,816
Contributions of fixed assets from developer	798,000	-	798,000	665,628
Net effect on noncash activities	<u>\$ 1,907,420</u>	<u>\$ -</u>	<u>\$ 1,907,420</u>	<u>\$ 1,111,506</u>

The accompanying notes are an integral part of this statement.

# Expendable Trust Funds



**Expendable Trust Funds are used  
to account for assets held by the  
city in a fiduciary capacity for  
individuals, organizations  
and others.**

**CITY OF SLIDELL, LOUISIANA**  
**EXPENDABLE TRUST FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2002 (With Comparative Totals for June 30, 2001)**

	Christmas Under The Stars	Old Towne Development	Animal Assistance League of Slidell	Green	Total	
					2002	2001
<b>Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ 1,050	\$ 276	\$ 1,326	\$ 1,322
Restricted cash	-	-	53,840	-	53,840	42,676
Due from local entities	-	-	-	-	-	469
Due from General Fund	29,197	226	27,526	1,153	58,102	69,150
<b>Total assets</b>	<b>\$ 29,197</b>	<b>\$ 226</b>	<b>\$ 82,416</b>	<b>\$ 1,429</b>	<b>\$ 113,268</b>	<b>\$ 113,617</b>
<b>Liabilities and fund balance</b>						
Liabilities						
Accounts payable	\$ -	\$ -	\$ 1,507	\$ -	\$ 1,507	\$ 1,299
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>1,507</b>	<b>-</b>	<b>1,507</b>	<b>1,299</b>
Fund balance						
Reserved for spay neuter	-	-	3,466	-	3,466	3,466
Reserved for trust purposes	29,197	226	77,443	1,429	108,295	108,852
<b>Total fund balance</b>	<b>29,197</b>	<b>226</b>	<b>80,909</b>	<b>1,429</b>	<b>111,761</b>	<b>112,318</b>
<b>Total liabilities and fund balance</b>	<b>\$ 29,197</b>	<b>\$ 226</b>	<b>\$ 82,416</b>	<b>\$ 1,429</b>	<b>\$ 113,268</b>	<b>\$ 113,617</b>

The accompanying notes are an integral part of this statement.

**CITY OF SLIDELL, LOUISIANA**  
**EXPENDABLE TRUST FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**Year Ended June 30, 2002 (With Comparative Totals for June 30, 2001)**

	Christmas Under The Stars	Old Towne Development	Animal Assistance League of Slidell	Green	Total	
					2002	2001
Revenues						
Federal grant	\$ -	\$ 3,000	\$ -	\$ -	\$ 3,000	\$ -
Contributions	3,500	-	75,788	575	79,863	80,004
Total revenues	3,500	3,000	75,788	575	82,863	80,004
Expenditures						
Public works	15,096	3,000	65,237	87	83,420	62,825
Total expenditures	15,096	3,000	65,237	87	83,420	62,825
Excess (Deficiency) of Revenues over expenditures	(11,596)	-	10,551	488	(557)	17,179
Fund balance, beginning of year	40,793	226	70,358	941	112,318	95,139
Fund balance, end of year	<u>\$ 29,197</u>	<u>\$ 226</u>	<u>\$ 80,909</u>	<u>\$ 1,429</u>	<u>\$ 111,761</u>	<u>\$ 112,318</u>

The accompanying notes are an integral part of this statement.

# General Fixed Assets Account Group



**This account group is used to account  
for the general fixed assets of the  
city, other than assets of the  
Enterprise Funds.**



**CITY OF SLIDELL, LOUISIANA**  
**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY ASSET CLASS AND SOURCES**  
**Year Ended June 30, 2002**

	June 30, 2001	ADDITIONS	RETIREMENTS	CONSTRUCTION- IN-PROGRESS	June 30, 2002
<b>GENERAL FIXED ASSETS</b>					
Land and land improvements	\$ 6,857,625	\$ 1,259,325	\$ -	\$ 707,047	\$ 8,823,997
Building and improvements	11,114,175	421,317	130,080	35,323	11,440,735
Streets and sidewalks	21,796,921	1,847,195	-	112,649	23,756,765
Drainage	27,087,001	2,529,950	-	993,390	30,610,341
Office equipment	2,483,667	92,901	198,665	-	2,377,903
Machinery and equipment	2,347,730	421,536	8,972	34,109	2,794,403
Vehicles	4,009,411	413,695	285,346	-	4,137,760
Bridges	666,530	48,638	-	-	715,168
Construction in progress	5,216,220	2,519,048	-	(1,882,518)	5,852,750
<b>TOTAL GENERAL FIXED ASSETS</b>	<b>\$ 81,579,280</b>	<b>\$ 9,553,605</b>	<b>\$ 623,063</b>	<b>\$ -</b>	<b>\$ 90,509,822</b>
<b>INVESTMENT IN GENERAL FIXED ASSETS FROM</b>					
General obligation bonds	\$ 19,012,284	\$ 571,887	\$ -	\$ -	\$ 19,584,171
Sales tax bonds	8,937,682	-	-	-	8,937,682
General fund	459,072	17,453	-	-	476,525
Sales & use taxes	27,990,161	3,562,136	492,983	-	31,059,314
Special assessments levies	412,185	-	-	-	412,185
Certificate of indebtedness	5,614,015	1,793,459	-	-	7,407,474
Federal grants	8,381,229	423,638	130,080	-	8,674,787
State of Louisiana	2,097,933	648,841	-	-	2,746,774
Local governments	611,856	-	-	-	611,856
Individuals	4,822,007	2,506,000	-	-	7,328,007
Slidell Housing Authority	151,228	-	-	-	151,228
City Capital Fund	3,089,628	30,191	-	-	3,119,819
<b>TOTAL INVESTMENT IN GENERAL FIXED ASSETS</b>	<b>\$ 81,579,280</b>	<b>\$ 9,553,605</b>	<b>\$ 623,063</b>	<b>\$ -</b>	<b>\$ 90,509,822</b>

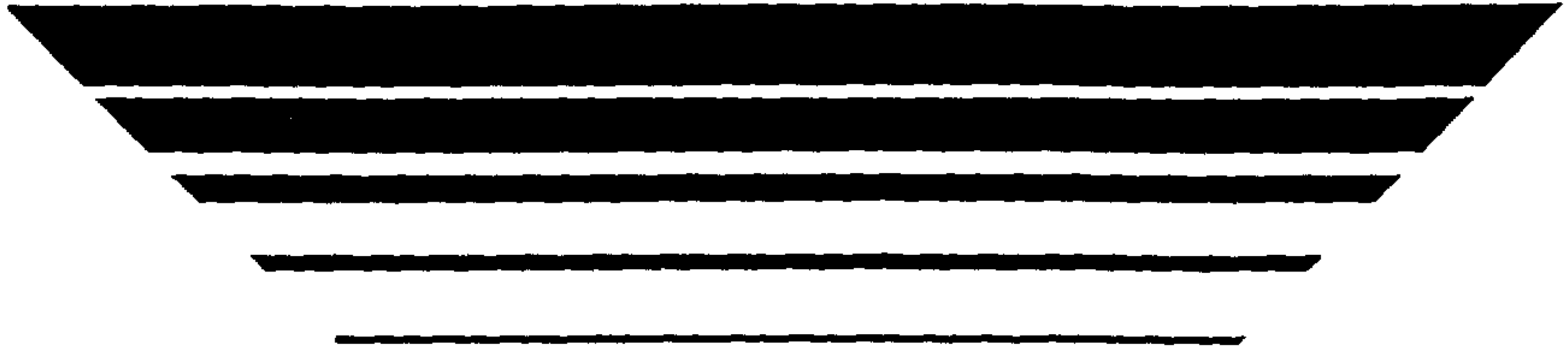
**CITY OF SLIDELL, LOUISIANA**  
**SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION**  
**June 30, 2002**

FUNCTION AND ACTIVITY	LAND, BUILDINGS AND IMPROVEMENTS	STREETS, BRIDGES AND DRAINAGE IMPROVEMENTS	MACHINERY AND EQUIPMENT	CONSTRUCTION IN PROGRESS	TOTAL
General government					
Administration	\$ 3,199,592	\$ -	\$ 425,286	\$ -	\$ 3,624,878
Finance	-	-	543,881	-	543,881
Legal	-	-	11,201	-	11,201
Animal control	-	-	124,759	-	124,759
Civil service	-	-	37,457	-	37,457
Legislative	-	-	170,232	-	170,232
<b>TOTAL GENERAL GOVERNMENT</b>	<b>3,199,592</b>	<b>-</b>	<b>1,312,816</b>	<b>-</b>	<b>4,512,408</b>
Public works	8,653,021	55,082,274	2,897,547	-	66,632,842
Public safety - police	2,912,965	-	3,776,258	-	6,689,223
Parks, recreational and culture	5,499,154	-	1,323,445	-	6,822,599
<b>TOTAL GENERAL FIXED ASSETS ALLOCATED TO FUNCTIONS</b>	<b>20,264,732</b>	<b>55,082,274</b>	<b>9,310,066</b>	<b>-</b>	<b>84,657,072</b>
Construction in progress	-	-	-	5,852,750	5,852,750
<b>TOTAL GENERAL FIXED ASSETS</b>	<b>\$ 20,264,732</b>	<b>\$ 55,082,274</b>	<b>\$ 9,310,066</b>	<b>\$ 5,852,750</b>	<b>\$ 90,509,822</b>

CITY OF SLIDELL, LOUISIANA  
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY  
Year Ended June 30, 2002

FUNCTION AND ACTIVITY	GENERAL FIXED ASSETS JUNE 30, 2001	ADDITIONS	RETIREMENTS	CONSTRUCTION IN PROGRESS	GENERAL FIXED ASSETS JUNE 30, 2002
General government					
Administration	\$ 3,609,539	\$ 18,085	\$ 2,746	\$ -	\$ 3,624,878
Finance	587,023	14,540	57,682	-	543,881
Legal	11,201	-	-	-	11,201
Animal control	122,285	26,160	23,686	-	124,759
Civil service	60,499	-	23,042	-	37,457
Legislative	158,751	17,453	5,972	-	170,232
TOTAL GENERAL GOVERNMENT	4,549,298	76,238	113,128	-	4,512,408
Public works	60,582,480	5,005,033	212,742	1,258,071	66,632,842
Public safety/Police	6,624,256	347,311	282,344	-	6,689,223
Parks, recreation and culture	4,607,026	1,605,975	14,849	624,447	6,822,599
TOTAL GENERAL FIXED ASSETS ALLOCATED TO FUNCTIONS	76,363,060	7,034,557	623,063	1,882,518	84,657,072
Construction in progress	5,216,220	2,519,048	-	(1,882,518)	5,852,750
TOTAL GENERAL FIXED ASSETS	\$ 81,579,280	\$ 9,553,605	\$ 623,063	\$ -	\$ 90,509,822

# General Long-Term Debt Account Group

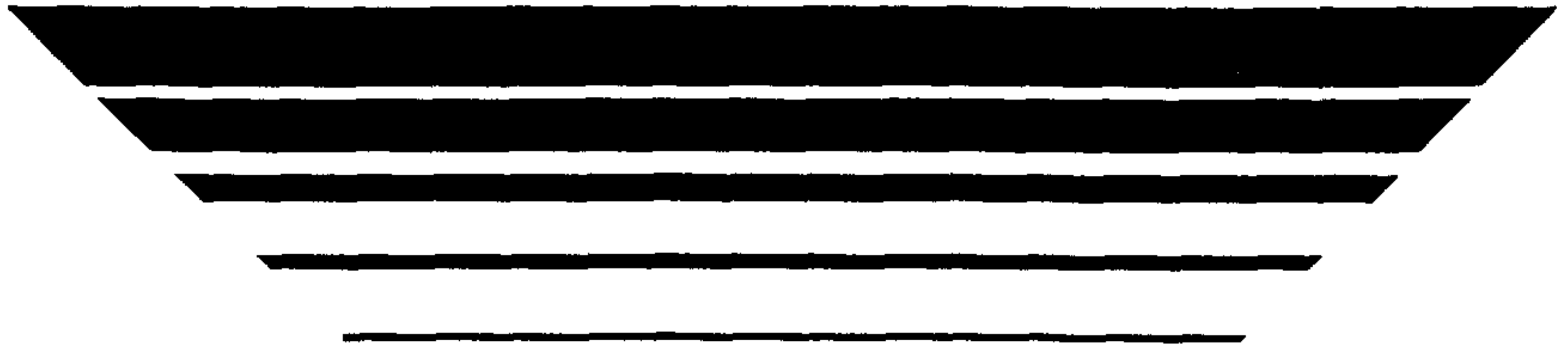


**This account group represents a  
summary of the general obligation,  
sales tax, and special assessment  
debt as well as certain other  
long-term liabilities  
of the city.**

**CITY OF SLIDELL, LOUISIANA**  
**SCHEDULE OF CHANGES IN GENERAL LONG TERM DEBT**  
**Year Ended June 30, 2002**

	June 30, 2001	Additions	Reductions	Debt Service Funds Operations	June 30, 2002
Amount Available in Debt Service and Sales Tax Funds: For the retirement of:					
General obligation bonds	\$ 1,140,580	\$ -	\$ -	\$ 3,733	\$ 1,144,313
Sales tax bonds	2,880,111	11,023	-	-	2,891,134
	<u>4,020,691</u>	<u>11,023</u>	<u>-</u>	<u>3,733</u>	<u>4,035,447</u>
Amount to be Provided for Retirement of General Long-Term Debt:					
From ad valorem taxes	10,899,420	-	(765,000)	(3,733)	10,130,687
From sales and use taxes	14,036,264	-	(1,292,023)	-	12,744,241
From General Fund	475,000	540,000	(187,000)	-	828,000
From LCDA loan	1,307,500	2,650,000	(88,500)	-	3,869,000
From Sales Tax Fund	1,872,036	-	(461,476)	-	1,410,560
	<u>28,590,220</u>	<u>3,190,000</u>	<u>(2,793,999)</u>	<u>(3,733)</u>	<u>28,982,488</u>
Total amount available and to be provided	<u>\$ 32,610,911</u>	<u>\$ 3,201,023</u>	<u>\$ (2,793,999)</u>	<u>\$ -</u>	<u>\$ 33,017,935</u>
General Long-Term Debt Payable:					
General obligation bonds payable	\$ 12,040,000	\$ -	\$ (765,000)	\$ -	\$ 11,275,000
Sales tax bonds payable	16,916,375	-	(1,281,000)	-	15,635,375
Certificate of indebtedness	1,745,000	-	(400,000)	-	1,345,000
LCDA loan	1,307,500	2,650,000	(88,500)	-	3,869,000
Capital lease payable	127,036	-	(61,476)	-	65,560
	<u>32,135,911</u>	<u>2,650,000</u>	<u>(2,595,976)</u>	<u>-</u>	<u>32,189,935</u>
Claims and judgments	195,000	-	(187,000)	-	8,000
Accrued compensatory absences	<u>280,000</u>	<u>540,000</u>	<u>-</u>	<u>-</u>	<u>820,000</u>
Total general long-term debt payable	<u>\$ 32,610,911</u>	<u>\$ 3,190,000</u>	<u>\$ (2,782,976)</u>	<u>\$ -</u>	<u>\$ 33,017,935</u>

# Supporting Schedules



**CITY OF SLIDELL, LOUISIANA**  
**GENERAL FUND**  
**SCHEDULE OF FUNCTIONAL EXPENDITURES BY DEPARTMENT (BUDGETARY BASIS)**  
**Year Ended June 30, 2002**  
**SCHEDULE 1**

	Salaries, Wages and Related Benefits	Contract Services	Supplies and Materials	Equipment
ADMINISTRATIVE	\$ 394,584	\$ 40,940	\$ 15,770	\$ -
FINANCE	407,008	26,496	28,183	4,070
LEGAL	137,107	11,276	3,827	250
DATA PROCESSING	178,508	2,203	42,150	1,000
PURCHASING	209,721	2,374	17,807	3,487
CIVIL SERVICE	137,058	27,229	23,972	1,344
LEGISLATIVE	332,829	110,120	25,015	22,077
ANIMAL CONTROL	239,314	3,960	19,682	419
RISK MANAGEMENT	459,856	26,097	6,910	871
PERMITS	367,106	3,463	12,117	-
PLANNING	183,765	2,333	6,849	290
POLICE	4,721,609	88,406	375,649	24,497
CITY MARSHALL	74,932	11,000	1,091	-
CITY COURT	56,587	21,571	2,225	-
CITY PROSECUTOR	<u>37,091</u>	<u>27,352</u>	<u>1,531</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 7,937,075</u>	<u>\$ 404,820</u>	<u>\$ 582,778</u>	<u>\$ 58,305</u>



<u>911</u>	<u>Community Service</u>	<u>Legal Fees and Claims</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 451,294
-	-	-	465,757
-	-	127,614	280,074
-	-	-	223,861
-	-	-	233,389
-	-	-	189,603
-	-	-	490,041
-	-	-	263,375
-	49,250	-	542,984
-	-	-	382,686
-	1,950	-	195,187
101,592	-	-	5,311,753
-	-	-	87,023
-	-	-	80,383
-	-	-	65,974
<u>\$ 101,592</u>	<u>\$ 51,200</u>	<u>\$ 127,614</u>	<u>\$ 9,263,384</u>

**CITY OF SLIDELL, LOUISIANA**  
**SALES TAX FUND**  
**SCHEDULE OF FUNCTIONAL EXPENDITURES BY DEPARTMENT (BUDGETARY BASIS)**  
**Year Ended June 30, 2002**  
**SCHEDULE 2**

	Salaries, Wages and Related Benefits	Contract Services	Supplies and Materials
	<u>                    </u>	<u>                    </u>	<u>                    </u>
ADMINISTRATIVE	\$ 315,861	\$ 1,063,295	\$ 7,264
ARTS COUNCIL	123,254	22,355	11,610
STREETS, BRIDGES AND DRAINAGE	1,508,127	47,283	443,592
ENGINEERING	334,986	5,882	9,281
ELECTRICAL	196,003	1,724	4,830
GENERAL MAINTENANCE	175,873	33,235	71,309
VEHICLE MAINTENANCE	296,172	17,292	57,777
PARKS AND RECREATION	675,086	60,545	126,689
PUBLIC INFORMATION	<u>-</u>	<u>15,074</u>	<u>5,233</u>
TOTAL EXPENDITURES	<u>\$ 3,625,362</u>	<u>\$ 1,266,685</u>	<u>\$ 737,585</u>

<u>Equipment</u>	<u>Total</u>
\$ 344	\$ 1,386,764
6,407	163,626
2,427	2,001,429
2,531	352,680
1,306	203,863
489	280,906
4,070	375,311
6,517	868,837
<u>490</u>	<u>20,797</u>
<u>\$ 24,581</u>	<u>\$ 5,654,213</u>

**CITY OF SLIDELL, LOUISIANA**  
**SCHEDULE OF COMPENSATION PAID TO CITY COUNCIL MEMBERS**  
**Year Ended June 30, 2002**  
**SCHEDULE 3**

<u>COUNCIL MEMBER</u>	<u>NUMBER OF DAYS</u>	<u>COMPENSATION</u>
Alvin D. Singletary, Councilman-at-Large	365	\$12,800
Dudley Smith, Councilman-at-Large	365	12,800
Lionel J. Washington, Councilman District A	365	12,800
Jerry Binder, Councilman District B	365	12,800
Landon Cusimano, Councilman District C	365	12,800
Kevin Kingston, Councilman District D	365	12,800
Marti J. Livaudais, Councilwoman District E	365	12,800
Jack Cerny, Councilman District F	365	12,800
Pearl Williams, Councilwoman District G	365	12,800

**CITY OF SLIDELL, LOUISIANA**  
**SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**Year Ended June 30, 2002**  
**SCHEDULE 4**

DESCRIPTION	STATE GRANT NUMBER	PROGRAM/ GRANT AWARD	REVENUE AND RECEIPTS RECOGNIZED	DISBURSEMENTS/ OTHER EXPENDITURES
<b>DEPARTMENT OF CULTURE, RECREATION, AND TOURISM</b>				
Office of Cultural Development				
DOA Arts Evening	FY02-058	\$ 1,695	\$ 1,695	\$ 1,695
Shakespeare on the Road (St. Tammany Arts Commission)		4,800	4,800	4,800
Brown Bag Grant	DF02-32	3,000	3,000	3,000
<b>TOTAL DEPARTMENT OF CULTURE, RECREATION, AND TOURISM</b>			<u>9,495</u>	<u>9,495</u>
<b>DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT</b>				
Office of Public Works				
Maintenance Division				
Highway Maintenance Grant	737-08-12	14,644	14,644	14,644
State Maintenance Assistance Reimbursement			1,242	1,242
Division of Aviation				
T-Hangar Taxilanes	3-22-0060-1002	54,444	3,726	3,726
Runway End Identifier Lights	0104	3,878	3,878	3,878
Taxiway Reconstruction	951-01-0010	152,217	4,748	4,748
Tree Removal	952-01-0011	25,000	3,380	3,380
<b>TOTAL DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT</b>			<u>31,618</u>	<u>31,618</u>
<b>OFFICE OF THE GOVERNOR</b>				
Louisiana Commission on Law Enforcement and Administration of Criminal Justice:				
D.A.R.E.	E02-7-003	12,452	12,452	12,452
Training Academy Equipment		1,150	1,150	1,150
<b>TOTAL OFFICE OF THE GOVERNOR</b>			<u>13,602</u>	<u>13,602</u>
<b>MILITARY DEPARTMENT</b>				
Office of Emergency Preparedness				
State Disaster Recovery				
Allison	DR1380	-	21,257	21,257
<b>TOTAL MILITARY DEPARTMENT</b>			<u>21,257</u>	<u>21,257</u>
<b>DIVISION OF ADMINISTRATION</b>				
Office of Planning and Control				
Slidell Olde Towne Railroad Depot Phase 3	50-MR9-01-01	345,000	228,261	228,261
Schneider Canal Generator	50-MR9-99B-01	735,000	420,580	420,580
<b>TOTAL DIVISION OF ADMINISTRATION</b>			<u>648,841</u>	<u>648,841</u>
<b>TOTAL STATE GRANTS</b>			<u>\$ 724,813</u>	<u>\$ 724,813</u>

CITY OF SLIDELL, LOUISIANA  
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)  
LAST 10 FISCAL YEARS  
(UNAUDITED)

**TABLE 1**

<u>FISCAL YEAR</u>	<u>GENERAL GOVERNMENT</u>	<u>PUBLIC WORKS</u>	<u>PUBLIC SAFETY</u>	<u>PARKS AND RECREATION</u>
1993	\$ 3,255,365	\$ 3,027,917	\$ 3,276,057	\$ 712,945
1994	3,176,345	3,646,496	3,832,885	818,465
1995	3,668,219	3,293,623	3,627,643	846,649
1996	3,429,840	3,916,717	3,721,666	864,143
1997	3,774,910	4,104,541	4,007,614	904,230
1998	3,813,311	2,833,719	4,190,511	913,464
1999	4,277,532	2,955,073	4,715,788	983,108
2000	4,435,706	3,221,894	4,757,261	1,044,778
2001	4,889,903	3,488,359	5,082,775	1,119,537
2002	4,959,458	3,792,062	5,311,753	868,837

(1) The above information reflects the General and Special Revenue Funds (budgetary basis) and the Debt Service Fund; Capital Projects and Expendable Trust Funds are not included herein.

<u>CITY COURT &amp; PROSECUTOR</u>	<u>CAPITAL OUTLAY</u>	<u>DEBT SERVICE</u>	<u>TOTAL</u>
\$ 140,136	\$ 2,909,923	\$ 2,710,604	\$ 16,032,947
170,553	2,075,152	3,074,371	16,794,267
172,108	1,843,362	2,503,453	15,955,057
206,011	2,324,423	2,936,830	17,399,630
213,849	2,100,591	4,336,379	19,442,114
275,827	4,128,885	4,425,954	20,581,671
303,369	2,724,109	4,417,159	20,376,138
209,797	3,252,448	4,405,528	21,327,412
233,428	6,671,354	4,176,539	25,661,895
233,380	5,927,906	4,286,793	25,380,189

CITY OF SLIDELL, LOUISIANA  
GENERAL GOVERNMENTAL  
LAST TEN FISCAL YEARS  
(UNAUDITED)

**TABLE 2**

FISCAL YEAR	TAXES				INTER- GOVERNMENTAL REVENUE
	SALES TAXES	PROPERTY TAXES	FRANCHISE TAX	TOTAL	
1993	\$ 9,162,962	\$ 2,434,652	\$ 815,077	\$ 12,412,691	\$ 1,111,533
1994	9,935,945	2,471,326	924,588	13,331,859	886,734
1995	10,410,596	2,439,023	908,694	13,758,313	1,722,053
1996	11,568,348	2,918,512	975,419	15,462,279	1,115,220
1997	10,970,123	3,066,116	1,038,178	15,074,417	1,305,654
1998	11,497,071	3,047,706	1,056,668	15,601,445	2,085,731
1999	12,394,359	2,979,772	1,114,443	16,488,574	2,011,631
2000	14,042,332	3,138,045	1,160,909	18,341,286	1,088,441
2001	15,227,530 (3)	3,163,879	1,429,457	19,820,866	1,524,954
2002	15,773,809	3,197,520	1,280,329	20,251,658	2,353,487

(1) The above information reflects the General and Special Revenue Funds (budgetary basis) and the Debt Service Fund; Capital Projects and Expendable Trust Funds are not included herein.

(2) Special assessments recorded in special assessment fund type not included.

(3) Sales taxes include approximately \$666,000 in taxes paid under protest in prior fiscal years.



<u>LICENSES AND PERMITS</u>	<u>FINES AND FORFEITURES</u>	<u>(2) SPECIAL ASSESSMENTS</u>	<u>INTEREST AND OTHER REVENUES</u>	<u>PAYMENT IN LIEU OF TAXES</u>	<u>CONTRIBUTIONS</u>	<u>TOTAL</u>
\$ 1,108,842	\$ 176,746	\$ 38,059	\$ 461,699	\$ 393,940	\$ -	\$ 15,703,510
1,191,495	159,908	1,542	494,186	392,012	-	16,457,736
1,250,309	210,188	2,905	530,507	387,908	8,030	17,870,213
1,327,046	181,977	3,692	659,272	417,274	-	19,166,760
1,336,212	200,315	-	896,006	417,442	-	19,230,046
1,404,141	199,364	-	793,984	423,538	-	20,508,203
1,589,968	198,638	-	782,838	434,953	-	21,506,602
1,512,584	240,993	-	1,149,082	460,235	-	22,792,621
1,674,742	235,957	-	1,162,575	470,000	-	24,889,094
1,647,186	194,445	-	515,922	470,000	-	25,432,698

CITY OF SLIDELL, LOUISIANA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(UNAUDITED)

TABLE 3

<u>FISCAL YEAR</u>	<u>TOTAL TAX LEVY</u>	<u>CURRENT TAX COLLECTIONS</u>	<u>PERCENT OF LEVY COLLECTED</u>
1993	\$ 3,391,030	\$ 3,349,291	99
1994	3,384,729	3,448,848	102 *
1995	3,446,301	3,443,731	100
1996	3,934,645	3,940,091	100 *
1997	4,157,934	4,176,638	100 *
1998	4,169,075	4,172,713	100 *
1999	4,190,554	4,098,720	98
2000	4,319,072	4,283,942	99
2001	4,465,632	4,439,909	99
2002	4,528,586	4,495,216	99

\* Total collections include redemptions.

CITY OF SLIDELL, LOUISIANA  
 ASSESSED AND ESTIMATED VALUE OF TAXABLE PROPERTY (1)  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

TABLE 4

FISCAL YEAR	REAL PROPERTY		COMMERICAL PERSONAL PROPERTY		PUBLIC SERVICE PROPERTY	
	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE
1993	\$ 66,935,950	\$ 669,359,500	\$ 17,003,757	\$ 113,358,380	\$ 9,097,200	\$ 60,648,000
1994	66,999,860	669,998,600	20,063,115	133,754,100	9,317,298	62,115,320
1995	68,668,925	686,689,250	23,454,485	156,363,233	9,423,313	62,822,087
1996	68,583,745	685,837,450	26,608,618	177,390,787	8,553,173	57,021,154
1997	75,622,776	756,227,759	27,099,731	180,664,873	8,297,714	55,318,094
1998	76,404,459	764,044,591	27,495,368	183,302,450	8,622,704	57,484,698
1999	76,394,169	763,941,690	29,109,480	194,063,200	8,893,402	59,289,347
2000	78,125,925	781,259,250	31,310,877	208,739,180	9,673,123	64,487,487
2001	85,417,503	854,175,030	32,827,273	218,848,487	10,086,142	67,240,947
2002	87,110,595	871,105,950	33,126,040	220,840,267	10,370,023	69,133,487

(1) Total assessed value is based on the following percentages of estimated actual value:

Residential property	10%
Commerical property	15%
Public service property	15%
Railroad stock	15%

RAILROAD STOCK		TOTAL		RATIO OF TOTAL ASSESSED TO TOTAL ESTIMATE ACTUAL VALUE
ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	
\$ 21,010	\$ 140,067	\$ 93,057,917	\$ 843,505,947	0.11
23,290	155,267	96,403,563	866,023,287	0.11
24,181	161,207	101,570,904	906,035,777	0.11
29,860	199,067	103,775,396	920,448,458	0.11
29,660	197,734	111,049,881	992,408,460	0.11
33,340	222,266	112,555,871	1,005,054,005	0.11
36,500	243,333	114,433,551	1,017,537,570	0.11
36,880	245,867	119,146,805	1,054,731,784	0.11
28,720	191,467	128,359,638	1,140,455,931	0.11
126,190	841,267	130,732,848	1,161,920,971	0.11

CITY OF SLIDELL, LOUISIANA  
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS  
(UNAUDITED)

**TABLE 5**

<u>FISCAL YEAR</u>	<u>CITY (WARDS 8&amp;9)</u>	<u>SCHOOL (WARDS 8&amp;9)</u>	<u>PARISH (WARDS 8&amp;9)</u>	<u>OTHER</u>		<u>TOTAL</u>	
				<u>(WARDS 8)</u>	<u>(WARDS 9)</u>	<u>(WARDS 8)</u>	<u>(WARDS 9)</u>
Tax Rates (In Dollars per \$1,000 of Assessed Value)							
1993	\$ 36.44	\$ 87.10	\$ 32.70	\$ 43.24	\$ 43.24	\$ 199.42	\$ 199.48
1994	35.11	87.10	32.70	41.19	41.19	196.10	196.10
1995	33.93	87.10	32.70	41.19	41.19	194.92	194.92
1996	38.51	87.10	32.70	40.50	40.50	198.81	198.81
1997	37.54	90.10	32.17	39.20	39.20	199.01	199.01
1998	37.04	90.10	28.95	39.20	39.20	195.29	195.29
1999	36.62	90.10	28.95	39.20	39.20	194.87	194.57
2000	36.25	90.10	31.95	44.20	44.20	202.50	202.50
2001	34.79	90.10	31.12	44.20	44.20	200.21	200.21
2002	34.64	90.10	31.61	44.20	44.20	200.55	200.55

CITY OF SLIDELL, LOUISIANA  
 RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE AND  
 NET GENERAL OBLIGATION BONDED DEBT PER CAPITA  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

TABLE 6

FISCAL YEAR	(1) POPULATION	ASSESSED VALUE	(2) GROSS BONDED DEBT	(3) LESS DEBT SERVICE FUNDS	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
1993	24,161	\$ 93,057,917	\$ 7,285,000	\$ 571,586	\$ 6,713,414	7.21 %	\$ 278
1994	24,161	96,403,563	7,145,000	489,200	6,655,800	6.90	275
1995	26,314	101,570,904	6,545,000	509,702	6,035,298	5.94	229
1996	26,314	103,775,396	15,395,000	967,404	14,427,596	13.90	548
1997	26,408	111,050,081	14,740,000	998,755	13,741,245	12.37	520
1998	28,394	112,555,871	14,115,000	1,042,397	13,072,603	11.61	460
1999	29,004	114,433,551	13,460,000	1,046,010	12,413,990	10.85	428
2000	29,596	119,146,805	12,765,000	1,117,103	11,647,897	9.77	394
2001	25,695	128,359,638	12,040,000	1,140,580	10,899,420	8.49	424
2002	26,086	130,732,848	11,275,000	1,144,313	10,130,687	7.75	388

(1) The 1993 through 2000 and 2002 population is based on Research Division,  
 College of Administration and Business, Louisiana Tech University.  
 2001 is based on the 2000 census.

(2) Amount does not include special assessment, sales tax or revenue bonds.

(3) Amount available for repayment of general obligation bonds.

CITY OF SLIDELL, LOUISIANA  
COMPUTATION OF LEGAL DEBT MARGIN  
JUNE 30 2002  
(UNAUDITED)

TABLE 7

ASSESSED VALUE	<u>\$ 130,732,848</u>
DEBT LIMIT - 35% of \$130,732,848 Assessed value (1)	45,756,497
DEDUCT - Amount of debt applicable to debt limit: Bonded debt	<u>11,275,000</u>
Legal debt margin	<u>\$ 34,481,497</u>

(1) State law allows a maximum of 35% of assessed valuation for total bonded general obligation debt.

CITY OF SLIDELL, LOUISIANA  
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR  
 GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL EXPENDITURES  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

**TABLE 8**

<u>FISCAL YEAR</u>	<u>(1) PRINCIPAL</u>	<u>(1) INTEREST AND FEES</u>	<u>(1) TOTAL DEBT SERVICE</u>	<u>(2) TOTAL GENERAL EXPENDITURES</u>	<u>RATIO OF DEBT SERVICE TO GENERAL EXPENDITURES</u>
1993	\$ 607,000	\$ 556,543	\$ 1,163,543	\$ 16,032,947	7.26 %
1994	650,000	510,163	1,160,163	16,794,267	6.91
1995	600,000	391,931	991,931	15,955,057	6.22
1996	650,000	342,830	992,830	17,399,630	5.71
1997	655,000	833,763	1,488,763	19,442,114	7.66
1998	625,000	809,473	1,434,473	20,581,671	6.97
1999	655,000	757,380	1,412,380	20,376,138	6.93
2000	695,000	700,801	1,395,801	21,307,708	6.55
2001	725,000	650,532	1,375,532	25,661,895	5.36
2002	765,000	596,906	1,361,906	25,380,190	5.37

(1) Amount does not include special assessment, sales tax or revenue bonds debt service.

(2) Per Table 1.



CITY OF SLIDELL, LOUISIANA  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
June 30, 2002  
(UNAUDITED)

TABLE 9

JURISDICTION	NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING	PERCENT APPLICABLE TO THE CITY	AMOUNT APPLICABLE TO THE CITY
DIRECT:			
CITY OF SLIDELL	\$ 10,130,687 (1)	100%	\$ 10,130,687
OVERLAPPING:			
ST. TAMMANY SCHOOL BOARD	134,517,793	17%	22,868,025
ST. TAMMANY PARISH	275,000	17%	46,750
TOTAL OVERLAPPING DEBT	134,792,793		22,914,775
TOTAL DIRECT AND OVERLAPPING DEBT	\$ 144,923,480		\$ 33,045,462

(1) Net of funds available for payment of debt service (Ref. Table 6).

CITY OF SLIDELL, LOUISIANA  
SALES TAX BONDS COVERAGE  
LAST TEN FISCAL YEARS  
(UNAUDITED)

**TABLE 10**

FISCAL YEAR	SALES TAX REVENUE	DEBT SERVICE REQUIREMENTS			COVERAGE
		PRINCIPAL	INTEREST	TOTAL	
1993	\$ 9,162,962	\$ 398,000	\$ 1,078,859	\$ 1,476,859	6.2
1994	9,935,944	466,000	726,931	1,192,931	8.3
1995	10,410,596	584,000	793,324	1,377,324	7.6
1996	11,568,348	637,000	737,697	1,374,697	8.4
1997	10,970,123	816,000	1,251,934	2,067,934	5.3
1998	11,497,071	1,009,000	1,197,425	2,206,425	5.2
1999	12,394,359	1,073,000	1,128,645	2,201,645	5.6
2000	14,042,332	1,142,000	1,058,744	2,200,744	6.4
2001	15,227,530 (1)	1,204,000	986,480	2,190,480	7.0
2002	15,773,809	1,281,000	912,128	2,193,128	7.2

(1) Sales taxes include approximately \$666,000 in taxes paid under protest in prior fiscal years.

CITY OF SLIDELL, LOUISIANA  
ENTERPRISE REVENUE BONDS COVERAGE (UTILITY FUND ONLY)  
LAST TEN FISCAL YEARS  
(UNAUDITED)

TABLE 11

FISCAL YEAR	GROSS REVENUE	(1) EXPENSES	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			COVERAGE
				PRINCIPAL	INTEREST	TOTAL	
1993	\$ 4,600,744	\$ 4,176,906	\$ 423,838	\$ 82,000	\$ 5,080	\$ 87,080	4.9
1994	4,815,338	4,373,094	442,244	86,000	1,720	87,720	5.0
1995	5,208,892	4,298,269	910,623	-	-	-	-
1996	5,614,803	4,723,966	890,837	-	-	-	-
1997	5,779,839	4,706,725	1,073,114	-	128,988	128,988	8.3
1998	6,011,732	4,845,767	1,165,965	85,000	140,178	225,178	5.2
1999	6,275,591	5,217,698	1,057,893	225,000	239,378	464,378	2.3
2000	6,848,070	5,287,348	1,560,722	235,000	266,469	501,469	3.1
2001	7,150,588	5,583,849	1,566,739	243,176	259,045	502,221	3.1
2002	7,590,516	6,244,568	1,345,993	260,000	251,190	511,190	2.6

(1) Amount does not include depreciation or interest expense.

CITY OF SLIDELL, LOUISIANA  
PROPERTY VALUE AND CONSTRUCTION  
LAST TEN FISCAL YEARS  
(UNAUDITED)

TABLE 12

FISCAL YEAR	COMMERCIAL CONSTRUCTION		RESIDENTIAL CONSTRUCTION		ESTIMATED ACTUAL VALUE	
	NUMBER OF UNITS	VALUE	NUMBER OF UNITS	VALUE	COMMERCIAL	RESIDENTIAL
1993	108	\$ 5,276,044	207	\$ 3,713,008	\$ 174,146,447	\$ 669,359,500
1994	112	10,826,727	195	2,966,283	196,024,687	669,998,600
1995	161	16,495,803	194	3,496,079	219,346,527	686,689,250
1996	153	13,501,297	231	4,769,635	234,611,008	685,837,450
1997	162	19,612,552	265	9,674,971	236,180,701	756,227,759
1998	148	12,623,347	307	13,724,576	183,302,450	764,044,591
1999	149	35,219,015	294	13,561,282	194,063,200	763,941,690
2000	143	36,230,372	237	10,173,538	208,739,180	781,259,250
2001	137	19,120,910	297	13,963,843	218,848,487	854,175,030
2002	133	26,204,160	354	19,684,279	220,840,267	871,105,950

Source of data - City of Slidell permits department; tax rolls

Data on bank deposits is not available.

CITY OF SLIDELL, LOUISIANA  
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(UNAUDITED)

TABLE 13

<u>FISCAL YEAR</u>	<u>CURRENT ASSESSMENTS BILLED</u>	<u>CURRENT ASSESSMENTS COLLECTED</u>	<u>(1) RATIO OF COLLECTIONS TO AMOUNT DUE</u>	<u>TOTAL OUTSTANDING ASSESSMENTS</u>
1993	25,474	30,096	118	78,859
1994	6,597	23,072	350	55,787
1995	-	10,938	-	21,939
1996	-	3,692	-	-
1997	-	-	-	-
1998	-	-	-	-
1999	-	-	-	-
2000	-	-	-	-
2001	-	-	-	-
2002	-	-	-	-

(1) Collections in excess of amounts billed are due to the exercise of prepayment options.

CITY OF SLIDELL, LOUISIANA  
PRINCIPLE TAXPAYERS  
JUNE 30, 2002  
(UNAUDITED)

TABLE 14

<u>TAXPAYER</u>	<u>TYPE OF BUSINESS</u>	<u>(1) FISCAL 2002 ASSESSED VALUATION</u>	<u>PERCENTAGE OF TOTAL ASSESSED VALUATION</u>
Wal Mart / Sam's	Retail	\$ 5,583,210	4.27%
Bell South Communications	Telephone Utility	4,706,700	3.60%
Central LA Electric Co.	Electric Utility	4,165,890	3.19%
McKesson Corp. Services	Healthcare	3,880,790	2.97%
Sizer North Shore Ltd.	Shopping Center	2,619,920	2.00%
Tenet Healthcare Corp.	Hospital	2,604,070	1.99%
Hibernia National Bank	Financial Institution	1,927,620	1.47%
Banc One	Financial Institution	1,631,140	1.25%
Healthcare Properties	Medical Facility	1,600,520	1.22%
Atmos Energy Louisiana	Gas Utility	1,157,282	0.89%
		<u>\$ 29,877,142</u>	<u>22.85%</u>

Source of data - Current ad valorem tax rolls.

(1) Total assessed valuation \$130,732,848

CITY OF SLIDELL, LOUISIANA  
SALARIES OF PRINCIPAL OFFICIALS  
JUNE 30, 2002  
(UNAUDITED)

TABLE 15

NAME	TITLE	METHOD OF SELECTION	ANNUAL BASE SALARY	SENIOR INCENTIVE PAY
Salvatore A. "Sam" Caruso	Mayor	Election	\$ 81,690	
Ben O. Morris	Chief of Police	Election	73,821	
Alvin D. Singletary	Councilman at Large	Election	12,800	
Dudley D. Smith	Councilman at Large	Election	12,800	
Lionel J. Washington	Councilman Dist. A	Election	12,800	
Jerry Binder	Councilman Dist. B	Election	12,800	
Landon Cusimano	Councilman Dist. C	Election	12,800	
Kevin Kingston	Councilman Dist. D	Election	12,800	
Marti J. Livaudais	Councilwoman Dist. E	Election	12,800	
Jack Cerny	Councilman Dist. F	Election	12,800	
Pearl Williams	Councilwoman Dist. G	Election	12,800	
Davis Dautreuil	Council Administrator/ Clerk of Council	Appointed	78,864	\$ 504
Wanda Beelman	Administrative Assistant to Council	Appointed	36,720	360
Reinhard Dearing	Chief of Staff	Appointed	78,864	756
Carmel Everard	Administrative Assistant to Mayor	Appointed	36,720	288
Sharon Howes	Director of Finance	Appointed	67,692	180
Martin Bruno	Director of Planning	Appointed	66,000	288
Dean Born	Director of Permits	Appointed	62,736	612
Stan Polivick	City Engineer	Appointed	73,188	
Tara Hunter	Director of Recreation and Parks	Appointed	47,640	288
Rebecca Salter	Director of Civil Service	Appointed	41,891	
Brian Hammel	Director of Cultural Affairs	Appointed	36,912	
Michael Noto	Director of Public Operations	Appointed	59,832	540
Tim Mathison	City Attorney	Appointed	75,072	180
Laura McArthur	Airport Manager	Appointed	40,704	324

CITY OF SLIDELL, LOUISIANA  
DEMOGRAPHIC STATISTICS  
JUNE 30 2002  
(UNAUDITED)

**TABLE 16**

DATE OF SETTLEMENT	1888
DATE PRESENT CHARTER ADOPTED	1978
FORM OF GOVERNMENT	MAYOR - COUNCIL
AREA SQUARE MILES	12.26
MILES OF STREETS:	
Paved	120.4
Unimproved	1.3
BUILDING PERMITS:	
New residential	203
Residential additions	151
New commercial	33
Commercial additions	100
POLICE PROTECTION:	MUNICIPAL
Number of employees	71
FIRE PROTECTION:	DISTRICT 1
Number of stations	3
RECREATION:	
Parks - number of acres	400.24
Number of playgrounds	20
Number of picnic areas	12
NUMBER OF STREET LIGHTS	2,755
NUMBER OF TRAFFIC SIGNALS	59
NUMBER OF WATER STORAGE TANKS (5):	5
Total capacity of water storage tanks	2,133,000 GAL
MUNICIPAL WATER DISTRIBUTION SYSTEM:	
Number of accounts	9,897
Number of metered accounts	9,787
Daily average consumption	4.0 MGD
Productive capacity	17 MGD
Miles of water mains - City	153.2 Miles



CITY OF SLIDELL, LOUISIANA  
 DEMOGRAPHIC STATISTICS (CONTINUED)  
 JUNE 30, 2002  
 (UNAUDITED)

TABLE 16

MUNICIPAL SEWER PLANT:

Number of accounts	9,733
Daily average treated wastewater	4.2 MGD
Plant capacity	6.0 MGD
Miles of sewer mains - City	101.21 Miles

AUTHORIZED FULL TIME EQUIVALENT EMPLOYEES:

Merit - elected, appointed & classified	338
School crossing guards	19
Total employees	<u>357</u>

ELECTION:

Registered voters	17,305
Number of votes cast, last local election	7,488
Percentage of registered voters voting	43%

POPULATION:

1890	354
1900	1,129
1910	2,188
1920	2,958
1930	2,807
1940	2,864
1950	3,464
1960	6,356
1970	16,101
1980	26,718
1990	24,013
2000	25,695

Source of data - City and Parish records.

CITY OF SLIDELL, LOUISIANA  
INSURANCE COVERAGE  
JUNE 30, 2002  
(UNAUDITED)

TABLE 17

POLICY NUMBER	INSURER	EXPIRES	POLICY TYPE OF COVERAGE	LIMITS
GPO6300869	St. Paul	6/30/02	General Liability	\$1M/\$2M
GPO6300869	St. Paul	6/30/02	Auto Liability	\$1M/\$2M
GPO6300869	St. Paul	6/30/02	Police Professionals	\$1M/\$2M
873-55-39	National Union Fire Insurance	6/30/02	Public Officials E&O	\$1M/\$2M
43SR84101	Hartford Insurance Co.	6/30/02	Police Volunteers	\$15,000
P-630-637J4423-TIL01	Travelers	6/30/02	Property	\$45,633,225
QT660336K72977TIL01	Travelers	6/30/02	Equipment	\$4,809,201
M5JBMG993K7629TIL01	Travelers	6/30/02	Boiler & Machinery	\$50,000
AE322931608	National Union Fire Insurance	6/30/02	Airport Premises Liability	\$1M/\$1M
435B350959	Hartford Insurance Co.	6/30/02	Recreation Accident	\$2,500
AGC-4800-LA	Safety National	6/30/02	Workers' Compensation	\$1M/Statutory
600150	The Oath	6/30/02	Employee Medical	Fully Insured
#119/FBS Administrator	City of Slidell	6/30/02	Employee Dental Care	Self Insured
85214	Canada Life	6/30/02	Employee & Family Life Ins.	1X's salary/5000/2000
TBD	Republic Van Guard	7/1/02	Auto Physical Damage for 2001 International Sewer Cleaner	\$160,000

# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS

A PROFESSIONAL CORPORATION

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor and Members  
of the City Council of the  
City of Slidell, Louisiana

We have audited the general purpose financial statements of the City of Slidell, Louisiana as of and for the years ended June 30, 2002 and 2001, and have issued our report thereon dated October 1, 2002. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Compliance**

As part of obtaining reasonable assurance about whether the City of Slidell's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City of Slidell's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the City of Slidell's management, the Legislative Auditor of the State of Louisiana, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Rebowe & Company*

October 1, 2002

# **REBOWE & COMPANY**

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable Mayor and Members of the Council  
City of Slidell, Louisiana

### **Compliance**

We have audited the compliance of the City of Slidell, Louisiana with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2002. The City of Slidell's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Slidell's management. Our responsibility is to express an opinion on the City of Slidell's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Slidell's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Slidell's compliance with those requirements.

In our opinion, the City of Slidell, Louisiana complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2002.

### **Internal Control Over Compliance**

The management of the City of Slidell, Louisiana is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Slidell's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components *does not reduce* to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the City of Slidell's management, the Legislative Auditor of the State of Louisiana, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Reboue & Company*

October 1, 2002

CITY OF SLIDELL, LOUISIANA  
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2002

DESCRIPTION	CFDA NUMBER	GRANT NUMBER	TOTAL GRANT AWARD	FEDERAL AND OTHER EXPENDITURES
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Community Planning and Development Division				
Community Development Block Grant, Entitlement Grant	14.218	B99-MC-22-0010 B00-MC-22-0010 B01-MC-22-0010	\$ 222,608 214,253 277,138	\$ 404 193,510 205,482
Office of Community Services				
Emergency Shelter Grant	14.231	559298 570970	41,000 30,750	21,009 16,230
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				<u>436,635</u>
DEPARTMENT OF JUSTICE				
Bureau of Justice Assistance				
Local Law Enforcement Block Grant	16.592	1999-LB-VX-8363 2000-LB-BX-2317 2001-LB-BX-2102	77,854 69,569 66,243	64,033 53,744 510
Bulletproof Vest Partnership Grant	16.607	-	10,995	998
LCLE Youth Education Shoplifting Program	16.523	A-99-8-006 A-00-8-006	19,399 17,798	7,801 10,349
Asset Forfeiture and Money Laundering Section				
Asset Forfeiture	-	96-2450-J11	262,860	<u>23,084</u>
TOTAL DEPARTMENT OF JUSTICE				<u>160,519</u>
DEPARTMENT OF TRANSPORTATION				
Federal Aviation Administration				
Taxiway Reconstruction	20.106	3-22-0060-09	585,959	42,734
T-Hangar Taxilanes	20.106	3-22-0060-1002	490,000	<u>33,534</u>
TOTAL DEPARTMENT OF TRANSPORTATION				<u>76,268</u>
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Elevation/Acquisition Project	83.516	HMGP1246-103S-0009	940,265	458,183
Elevation/Acquisition Project Phase II	83.536	FMA 00-103S-0002	433,302	338,442
Elevation/Acquisition Project Phase III	83.548	1380 DR-LA	1,466,780	160,914
Floodproofing Sewer Lift Station	83.516	UN1246-103S-0010	258,150	97,600
Dry Floodproofing Project	-	HMGP1246-103S-0010	61,951	13,201
Flood Mitigation Plan	83.536	FMP00-103S-0001	50,000	25,000
Allison Disaster Assistance	-	DR1380	-	<u>23,508</u>
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY				<u>1,121,848</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE				<u>\$ 1,795,270</u>

This accompanying Notes to Schedule of Expenditures of Federal Awards are in integral part of this schedule.

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2002**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the City has met the qualifications for the respective grants.

**2. ACCRUED REIMBURSEMENT**

Various reimbursement procedures are used for federal awards received by the City. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year.

**3. PAYMENTS TO SUBRECIPIENTS**

There were no payments to subrecipients for the fiscal year ended June 30, 2002.

**NOTE B - DESCRIPTION OF GRANTS**

**United States Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG), Entitlement Grant**

HUD provides the City with funds on a reimbursement basis for expenditures incurred by the City in connection with activities that meet one of the following objectives (1) benefiting low and moderate-income families, (2) aiding in the prevention or elimination of slums and blight, and (3) meeting other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health and welfare of the community and other financial resources are not available to meet such needs.

**Emergency Shelter Grant**

The Caring Center, Inc., a 501(c)(3) non-profit organization, operates a shelter for homeless women and children in the community on behalf of the City. HUD reimburses for costs to provide shelter, homeless prevention, and essential services at the emergency shelter. HUD also pays a small administrative fee to the City. The City provides matching funds, primarily in the value of rent equivalent for the building. The Caring Center also provides matching funds through donations of cash, goods and services.

**United States Department of Justice  
Local Law Enforcement Block Grant**

This Bureau of Justice Assistance block grant provides the City with funds to underwrite projects to reduce crime and improve public safety. After holding public hearings, the City elected to fund overtime costs for additional traffic patrols at high accident areas around the City and to purchase new equipment.



**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**(CONTINUED)**  
**Year Ended June 30, 2002**

**NOTE B - DESCRIPTION OF GRANTS (CONTINUED)**

**Bulletproof Vest Partnership Grant**

The Bureau of Justice Assistance is reimbursing the City for up to 50% of the cost of bulletproof vests. This funding is provided under the Bulletproof Vest Partnership Grant Act of 1998.

**Develop Accountability-Based Sanctions LCLE Youth Education Shoplifting Program**

The Bureau of Justice Assistance passes through to the Louisiana Commission on Law Enforcement funds to reimburse the City 90% of the cost for an offense-specific curriculum based on shoplifting prevention.

**Asset Forfeiture Grant**

The City participates in the federal equitable sharing program for the use of federally forfeited cash, property, proceeds, and any interest earned thereon with law enforcement agencies.

**U.S. Department of Transportation  
Taxiway Reconstruction**

The FAA is providing 90% and the State Department of Transportation and Development 10% of funds to reconstruct 3400 feet of parallel Taxiway "A" and connectors. The project will remove and replace subbase, base and asphalt surfacing.

**T-Hangar Taxi lanes**

FAA is reimbursing the City for 90% of the costs to construct approximately 1500 linear feet of new taxi lanes to open a vacant area of the airport to hanger development. The taxi lanes will provide access to planned T-hanger developments from the existing taxiway and apron. The State Department of Transportation and Development is providing the remaining 10% of the funding.

**Federal Emergency Management Agency  
Elevation/Acquisition Project**

The City is administering FEMA funding to elevate flood prone structures, the acquisition of flood prone structures or to flood proof structures to reduce flood losses. FEMA will incur 75% of the cost to elevate, acquire or flood proof the structure and the owner will incur 25%.

**Floodproofing at Sewer Lift Stations**

FEMA is providing 75% of cost to elevate electrical panels above the Base Flood Elevation (BFE) located on the sewer lift stations and to purchase stainless steel bibs for the manhole covers to prevent infiltration of rainwater and sewer backup. This project's goal is two-fold: protect the equipment and operation of the lift stations; and prevent losses to residential and commercial structures from sewage backup.



**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**(CONTINUED)**  
**Year Ended June 30, 2002**

**NOTE B – DESCRIPTION OF GRANTS (CONTINUED)**

**Dry Floodproofing Project**

The City is administering FEMA funding to dry floodproof four residential structures. FEMA will incur 75% of the cost to dry floodproof these structures and the homeowner will incur 25%.

**Flood Mitigation Plan**

FEMA is providing 75% of the cost to develop a flood hazard mitigation plan which would determine vulnerable areas, strategize approaches to avoid, minimize, and mitigate hazards, and prioritize loss reduction activities.

**Allison Disaster Assistance**

FEMA is reimbursing 75% of the cost to provide emergency protective measures and debris removal during and after torrential rains from tropical storm Allison.

**United States Environmental Protection Agency**

**NOTE C - LOANS OUTSTANDING**

On May 28, 1997, the City entered into a loan and pledge agreement with the Louisiana Department of Environmental Quality (DEQ) Loan No. CS-221 136-01. The purpose of the loan is to pay a portion of the cost of constructing improvements to the wastewater system of the City. Under the terms of the agreement, the DEQ, through its Municipal Facilities Revolving Loan Fund, will loan the City an amount not to exceed \$3,900,000. Upon completion of the project the actual amount borrowed will be determined and the City will issue Utility Revenue Bonds to evidence the debt as authorized by ordinance No. 2727. The bonds will be payable over a 20 year period and will bear an interest rate of 3.45 percent. As of June 30, 2002, \$3,898,176 has been drawn down on the loan of which \$0 was received in fiscal year ending June 30, 2002 and is included in the Supplementary Schedule of Expenditures of Federal Awards.

**CITY OF SLIDELL, LOUISIANA**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2002**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the general-purpose financial statements of the City of Slidell, Louisiana.
2. No reportable conditions in internal control relating to the audit of the financial statements are reported in the *Report on Compliance and on Internal Control over Financial Reporting on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the City of Slidell, Louisiana were reported in the *Report on Compliance and on Internal Control over Financial Reporting on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the *Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance* in accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for the City of Slidell, Louisiana expresses an unqualified opinion.
6. There were no findings that are required to be reported in accordance with Section 510(a) of Circular A-133.
7. The programs tested as major programs are:

**CFDA Number**

Elevation/Acquisition Project	83.516
Elevation/Acquisition Project Phase II	83.536

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. City of Slidell, Louisiana was determined to be a low-risk auditee.

**B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

There were no findings related to the financial statements for the year ended June 30, 2002.

**C. FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS**

There were no findings related to federal awards for the year ended June 30, 2002.

**CITY OF SLIDELL, LOUISIANA**  
**Schedule of Prior Year Findings and Questioned Costs**  
**Year Ended June 30, 2002**

<u>Funding Source</u>	<u>Finding</u>	<u>Questioned Costs</u>
Federal Emergency Management Agency  Elevation/Acquisition Project  CFDA #83.516	<p>Finding 01-1</p> <p>The City is required to submit Quarterly Progress Reports to the Louisiana Office of Emergency Preparedness. The reports are due on the first day after the quarter end. The City has contracted with an outside company to administer the grant. The Company failed to submit three of the six reports and one of the three filed, was filed late.</p> <p>Recommendation</p> <p>The City should oversee the Company hired to administer the grant to ensure that required reports are filed and filed on time.</p> <p>Action Taken</p> <p>During the year ended June 30, 2002, all quarterly reports were filed in a timely fashion with the grant's administrative agency. Sharon Howes, Finance Director, (985)646-4316.</p> <p>The prior year finding has been addressed in the client's corrective action plan. We concur with the action taken.</p>	*

**CITY OF SLIDELL, LOUISIANA**

**MEMORANDUM OF ADVISORY COMMENTS**

**June 30, 2002**

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# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS

A PROFESSIONAL CORPORATION

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October 1, 2002

Honorable Mayor and Members of the Council  
City of Slidell, Louisiana

We have audited the general-purpose financial statements of the **City of Slidell, Louisiana** as of and for the year ended June 30, 2002, and have issued our report thereon dated October 1, 2002. As part of our audit, we considered the City's internal control in order to determine the nature, timing and extent of our auditing procedures for the purpose of expressing an opinion on the general-purpose financial statements and not to provide assurance on internal control.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and recommendations regarding these matters. We previously reported on the City's internal control in a separately issued report entitled *Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* dated October 1, 2002.

We will review the status of these matters during our next audit engagement. We have already discussed these recommendations with various City personnel and have included their responses. We will be pleased to discuss these recommendations with you in further detail at your convenience, perform any additional study of these matters, or assist you in implementing our recommendations.

This report is intended solely for the information and use of management, the Legislative Auditor of the State of Louisiana, and others within the City. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

*Rebowe & Company*

## **GASB STATEMENT NO. 34**

### **COMMENT**

In June 1999, the Governmental Accounting Standards Board ("GASB") issued GASB Statement No. 34 "Basic Financial Statements" effective for the year beginning July 1, 2002. GASB Statement No. 34 establishes new financial reporting requirements for the City as well as other state and local governments.

The most significant changes will be that: the City will report financial information for all governmental fund type accounting utilizing the full accrual method of accounting as opposed to the modified accrual method currently used; the City will be required to record and depreciate all capital assets, and to eliminate both the General Fixed Asset Accounting Group and the General Long-Term Debt Accounting Group; the City will present dual financial statements with presentation of both "Government-wide Financial Statements" and the traditional "Fund Financial Statements"; the City will eliminate all interfund transactions, including interfund loans, interfund services provided and used, and interfund transfers.

In preparation for GASB Statement No. 34, the City of Slidell will need to invest extensive man-hours prior to its implementation. Specifically, the City will need to:

1. Implement previously issued GASB Statement Number 20 since the City had previously elected not to implement this statement. When implemented, GASB Statement Number 20 will require the following:
  - Recalculate all discounts and/or premiums on all currently outstanding bonds and begin to amortize this discount/premium over the life of the bonds.
  - Calculate any gain or loss from refinancing of bonds and amortized over the life of the bonds.
  - Interest costs on capital projects open or begun in the year of implementation will need to be calculated and capitalized as a component of capital asset historical cost.
2. A Management Discussion and Analysis ("MD&A") section will need to be reported as "required supplementary information" in the financial statements (this is in addition to the Letter of Transmittal).
3. Fiduciary funds such as Expendable and Non-expendable Trust Funds may or may not need to be disclosed in the City's financial statements depending on their function. The City will need to determine which funds will remain and at what level they will need to be reported.

## **GASB STATEMENT NO. 34 (CONTINUED)**

4. All contributed capital from proprietary type funds (Enterprise) will need to be combined with the funds equity section and will be shown as current period revenue for that particular fund.
5. All funds will need to be classified as either major or non-major. Only major funds will presented as individual funds in the financial statements. All non-major governmental type funds and all non-major proprietary funds will be grouped as one fund and presented as such. This will be a significant change from the present fund accounting presentation.

The effect of GASB Statement No. 34 will not be known until its implementation and proper planning and advanced preparation could eliminate the risk of now solvent funds to report deficit fund balances and unnecessary time delays in the year of implementation.

### **RECOMMENDATION**

The City should continue its efforts to implement GASB No. 34 by the date required by the GASB.

### **CORRECTIVE ACTION PLAN**

The City of Slidell has initiated its plan of action for implementing GASB Statement No 34. The City contracted with a company to inventory its infrastructure, which was completed during 2002. Additionally, the capitalization threshold was raised to \$5,000, and a new software program was installed during fiscal year 2002 to track and depreciate fixed assets. The City is on schedule to implement GASB Statement No. 34 within the required timeframe established by the GASB. Contact Ms. Sharon Howes, Finance Director, (985) 646-4319.



## **DECLINE IN UNRESERVED GENERAL FUND BALANCE**

### **COMMENT**

Over the past three years, a decreasing trend in the level of unreserved fund balance in the general fund has been observed. Since 2000, the balance of the City's unreserved fund balance has been reported as follows:

2000:	\$1,448,772
2001:	\$1,167,828
2002:	\$ 763,770

The maintenance of an adequate level of unreserved fund balance in the general fund is important to guard against future risks and maintain creditworthiness.

### **RECOMMENDATION**

According to the Government Finance Officers Association's (GFOA's) *Recommended Practices (2002)*, state and local governments should "establish a formal policy on the level of unreserved fund balance to be maintained in the general fund." The GFOA recommends that the unreserved fund balance in the general fund be no less than five to fifteen percent of operating revenues, or no less than one to two months of regular general fund operating expenditures. The percentage of the City's unreserved general fund balance to operating revenues is 13% in 2002.

Although the City's unreserved fund balance is currently within the GFOA's recommended guidelines, the decreasing trend over the past few years provides the basis for monitoring the balance in the future. Rebowe & Company recommends that the City establishes a formal policy regulating the level of unreserved fund balance maintained in the general fund and actively monitors the balance on a regular basis.

### **CORRECTIVE ACTION PLAN**

The City will establish a formal policy regulating the level of unreserved fund balance maintained in the general fund and will monitor the balance on a regular basis. Contact Ms. Sharon Howes, Finance Director, (985) 646-4319.

**CITY OF SLIDEL  
SUMMARY SCHEDULE OF PRIOR YEAR  
AUDIT FINDINGS  
FOR THE YEAR ENDED  
JUNE 30, 2002**

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There were no findings for the year ending June 30, 2001.

**CITY OF SLIDELL  
CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED  
JUNE 30, 2001**

There were no findings for the year ended June 30, 2000

**CITY OF SLIDEL  
SUMMARY SCHEDULE OF PRIOR YEAR  
AUDIT FINDINGS  
FOR THE YEAR ENDED  
JUNE 30, 2000**

There were no findings for the year ending June 30, 1999.